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Midterm Test of Reagan's Magic

Republicans See Chance to Become Majority Party Again

By David S. Broder
Washington Post Service

WASHINGTON — A paradox confronts both political parties at the start of the 1986 campaign year: Rarely have the tactics and issues seemed more parochial, but rarely have the stakes been bigger.

Historical trends show that the 1986 elections could write a premature epitaph for the Reagan era. A few Democrats are ready to bet that it will be the case.

But the recent trends indicate that 1986 could move the Republicans to within striking range of becoming the majority party, although no one at the White House is taking that for granted.

Pollsters and political strategists on both sides say 1986 will be a political nonpresidential election year in its emphasis on individual candidates and concerns in particular states and districts. But the consequences will be far greater than usual, as both parties position themselves for control of the post-Reagan era.

The immediate battle is for control of the Senate, where 34 seats are up, for 36 governorships, for all 435 seats in the House and for thousands of seats in state legislatures.

When those results are in Nov. 4, there will certainly be more evidence, and there may even be a consensus, on the answer to a question that has divided politicians and political analysts since the 1984 election: whether a significant number of voters are realigning themselves permanently with the Republican Party.

"Realignment is a myth, and 1986 will bury it," said Paul G. Kirk Jr., chairman of the Democratic National Committee.

He and others say that President Ronald Reagan has helped the Republicans overcome their 50-year status as the minority party in the American electorate, only to find that partisan ties no longer mean much to voters.

They predict that most incumbents of both parties will do well and that little partisan advantage will be recorded for either side.

'Realignment is a myth, and 1986 will bury it.'

— *Paul G. Kirk Jr.*

"This is a year when all politics is local," said Greg Schneiders, a Democratic campaign consultant. "There are no crises or great divides."

Both parties, he said "are likely to come out alive and well and ready for 1988," the next presidential election year.

Supporters of the realignment theory say the Republican tide has been rising since 1978. They predict, against the odds, that it will rise again this year.

They expect Republicans to hold onto the Senate, to pick up some governorships and to make gains in the legislatures and among key voting blocs.

Mr. Kirk predicted that his Democrats "will win back the Senate, add strength in the House and do very well in governorships."

But Frank J. Fahrenkopf Jr., chairman of the Republican National Committee, said, "I think we'll turn this 'six-year itch' upside down."

Typically, the party that controls the White House loses heavily in the midterm election of its sixth year in power.

But 1986 does not look like a typical year. Severe losses for Republicans in 1958 and 1974 and for the Democrats in 1966 have been linked to a recession or a slump in the president's popularity, or both.

Mr. Reagan enters 1986 at historically high levels of support and the economy is finishing its third year of unbroken growth, with most forecasts that it will hold up at least until 1987.

That kind of year normally brings re-election for incumbents, and many observers foresee little shift in Senate and House seats.

The Democrats believe that they have put their stamp on issues that will help them in particular districts and states: relief for farmers; protection against foreign imports of shoes, textiles and other products; guarantees of Social Security retirement benefits and Medicare health insurance benefits for the elderly. Even the president's principal domestic project, tax revision, bears a Democratic label after its passage by the House.

But if some of the deeper shifts that were seen in the 1980-84 elections manifest themselves again, the Republicans are almost certain to be the beneficiaries.

Those elections saw the breakup of the old Democratic coalition and the emergence of a new pro-Republican majority in presidential and Senate voting.

Richard B. Wirthlin, a presidential pollster, called 1986 "the critical election of the decade."

He said that unless the Republicans hold the Senate and see gains in the states and in voter registration figures "the 1980-84 years will reflect only a move toward a per-

(Continued on Page 3, Col. 7)

Reuters

Police patrolled in Durban after they fired on blacks who had marched onto an all-Indian beach. Ten persons were wounded.

18 Killed In Clash in S. Africa

Tribesmen Battle During Protest of New 'Homeland'

By Allister Sparks
Washington Post Service

JOHANNESBURG — At least 18 blacks were reported to have been killed in intertribal fighting on New Year's Day in a previously placid black rural region of South Africa that the government has forcibly annexed to a tribal "homeland."

Local officials and residents of Moutse, 70 miles (113 kilometers) north of Pretoria, said Thursday that 16 tribesmen were killed in fighting that broke out when crowds of demonstrators clashed with officials of the KwaNdebele homeland and rioted in protest against the incorporation that took effect Wednesday.

Police said seven tribesmen were killed but later reported that the charred bodies of two black policemen had been found Thursday.

Police said three blacks died Wednesday in other racial violence in South Africa, for a reported total of 21 deaths on the first day of 1986. About 1,000 people have been killed in South Africa's racial strife in the last 16 months.

Ten blacks reportedly were wounded by police fire after a crowd estimated at 5,000 marched onto an Indians-only beach in Durban.

Details of what happened Wednesday in Moutse were sketchy, but police reports said demonstrators set fire to vehicles and fighting broke out in three places between people from the incorporated area and the homelanders.

Civil rights workers had predicted violence in the area if the incorporation went ahead in the face of fierce resistance by Moutse's 120,000 inhabitants.

Moutse consists of three pockets of land totaling about 65 square miles (168 square kilometers). Most of the inhabitants are deeply conservative peasant farmers of the small Pedi tribe, which has been there for at least two centuries.

Pretoria announced in August that Moutse was to be incorporated into a new homeland called KwaNdebele, whose leader, Simon Skosana, had agreed to independence.

KwaNdebele was created in 1980 out of 16 farms the government had bought from whites in the northern Transvaal Province. It was intended to become the homeland for the small Ndebele tribe.

KwaNdebele is mainly a chain of resettlement camps to which an estimated 200,000 blacks have been sent from the cities and towns of the Transvaal under the country's strict influx control regulations.

The camps have more than doubled the area's original population. Few are Ndebeles.

Apart from the camps, the homeland has only one town, Siyabuswa, especially built as a capital.

Despite these shortcomings, Mr. Skosana, a one-time vegetable seller who failed to complete primary school, accepted independence for KwaNdebele, and this is to be formalized this year.

Moutse, by contrast, is a less overcrowded and better developed area. It has a 360-bed hospital, 60 schools, a telecommunications system and tarred roads.

Joanne Yawitch, a member of a civil rights group that has worked extensively in the area, said she believed that Moutse's superior infrastructure was the reason it was being incorporated in KwaNdebele.

Thousands of blacks attended the funeral of Molly Blackburn, a white foe of apartheid. Page 2.

Lebanon Pact, Meeting With Hussein Reflect Ascendancy of Assad Policies

By Charles P. Wallace
Los Angeles Times Service

DAMASCUS — It was a triumphant week for the policies of President Hafez al-Assad. But if he has been celebrating, it has been a characteristically private affair.

Within the space of three days, Mr. Assad saw the two most nettlesome of his foreign affairs problems, Lebanon and the Middle East peace process, moving toward a resolution that would benefit Syria, at least symbolically.

Mr. Assad's stature in the Arab world appears to have been enhanced significantly as the one statesman who has confronted Israel consistently and prevailed. Even his latest gambit, deploying anti-aircraft missiles in Lebanon's Bekaa Valley, seems to offer more potential benefits than liabilities for his regime, according to Western diplomats here.

"Once more, the bitter truth has been brought home to the West that to get things done in this part of the world, you must deal with Hafez Assad," a European diplomat commented.

President Gemayel left for Syria to discuss an agreement to end Lebanon's civil war. Page 2.

Mr. Assad rarely shows his emotions publicly, but he could not suppress a broad grin before the television cameras after the signing of a peace agreement for Lebanon.

The accord was signed Saturday in Damascus by the leaders of Lebanon's three major Moslem and Christian militias. The agreement was based on political and military terms that were fashioned, if not dictated, by Damascus.

Mr. Assad's first vice president and personal troubleshooter for Lebanon, Abdel Halim Khaddam, also signed the agreement, symbolizing the relationship that now exists between the two countries.

Only three years ago, Israel occupied much of Lebanon and signed a peace treaty with Lebanon's Christian president, Amin Gemayel. Last Thursday, President Gemayel went to Damascus to give his reluctant approval to the Syrian-brokered peace accord.

Under Syrian pressure, Mr. Gemayel was forced to cancel his May 17, 1983, agreement with the Israe-

(Continued on Page 3, Col. 1)

Police Foiled Arab Plots In Europe

By Paul Lewis
New York Times Service

PARIS — Police in several European cities appear to have disrupted a number of Arab-backed terrorist plots for assassinations and bomb attacks during the Christmas and New Year holiday period.

However, an attack by Arab guerrillas on Rome's Leonardo da Vinci last Friday left 15 persons dead, including three gunmen, and an attack on Vienna's Schwechat Airport left three dead, including one gunman. A 16th person died Thursday from injuries in the Rome attack.

Israelis are asking why they must bear the burden of responding to terrorists. Page 2.

Arrests and expulsions of suspected Arab terrorists have taken place over the last week or so in Brussels, Madrid, Paris and Athens.

In Belgium police seized two Arabs and a Belgian citizen Monday after discovering a large cache of arms, grenades and ammunition at a town near Brussels.

French police arrested two Portuguese and an Egyptian on Sunday and charged them with preparing a bombing attack against a Paris synagogue.

In Madrid, the Spanish government said Thursday that it recently expelled three employees of the Libyan Embassy on suspicion of plotting to kill a visiting Libyan opposition leader. The employees did not have diplomatic status.

The Greek government, which says it is cooperating with Yasser Arafat's Palestine Liberation Organization in fighting terrorism, arrested eight Arabs during the weekend, but later allowed them to leave the country.

In Vienna, Austrian investigators said a fourth unidentified man gave final instructions over breakfast in Vienna's Hilton Hotel to the three Arab terrorists responsible for last Friday's airport attack.

They said the terrorists were told to seize Israeli hostages, hijack a waiting plane belonging to the Israeli airline, El Al, and "explode it in or over Tel Aviv," according to an Interior Ministry spokesman.

Austrian sources said first word of the fourth man, who is described as being of Arab appearance, came from the single surviving terrorist in the Rome attack.

They said the information was given to them by the chief Italian investigator, Domenica Sica, when

(Continued on Page 3, Col. 2)

U.S. Group Fights Arab Stereotypes

By David K. Shipler
New York Times Service

WASHINGTON — A Washington real estate ad pictures an excited Arab sheikh with dollar signs on his dark glasses. The message reads: "Is Washington For Sale?"

On a billboard in Pennsylvania, an Arab stares in apparent dismay at an oil company's low prices.

"The Phantom," a newspaper comic strip, tells the tale of "Abu the Magician" paying gold for an attractive woman slave. In a movie, Arabs plot to kill spectators at the Super Bowl football game. In a film for children, an Arab on a sinking ship steals a boy's life jacket.

A thesaurus lists "tramp," "vagrant" and "huckster" among the synonyms for "Arab." A postcard shows a man chasing an Arab under the words: "Fight High Oil Prices! Mug an Arab Today!"

A popular song called "Abu Dhabi" includes these lyrics: "We always bathe and we're learning to shave, but you still don't treat us fair."

These are a few of the thousands of offensive caricatures and stereotypes of Arabs that have found their way into the files of the American-Arab Anti-Discrimination Committee, a Washington-based organization devoted to combating the repugnant images of Arabs that it says pervade American life.

The stereotypes derive both from current events and traditional slurs.

The terrorism that has grown out of the Middle East conflict, such as the airport bombings in Rome and Vienna last week, has reinforced the portrayal of Arabs as violent.

The steep rises in oil prices that began in the 1970s fostered the notion of Arabs as rich and greedy. And 19th-century images remain prominent in pictures of Arabs as primitive keepers of harems.

The anti-discrimination committee, which also issues statements on the Arab-Israeli conflict, has itself been the target of numerous threats and three violent attacks in 1985, including a pipe bomb that wounded two Boston police officers, a bomb that killed a committee official in California and a fire that damaged the Washington offices.

William H. Webster, director of the Federal Bureau of Investigation, said last month that Arab-Americans had entered a "zone of danger" from an unspecified group targeting "enemies of Israel." The U.S. Civil Rights Commission has scheduled hearings in February on concerns over violations of the rights of Arab-Americans.

"It seems like every time a script writer runs out of original ideas, which is quite frequent nowadays, they throw in an Arab villain," said James G. Abourezk, a former Democratic U.S. senator from South

(Continued on Page 3, Col. 6)

Foreigners Find Investment Can Mean Political Clout

By Martin Tolchin
New York Times Service

WASHINGTON — Japanese business executives warned that they would curtail their investments in the United States if Congress ended the favorable tax treatment they have received. Saudi Arabians threatened to sell their U.S. securities rather than disclose how much they own. The political action committee of a Dutch-owned oil company contributed $726,000 to a campaign to defeat a proposed tax in California.

As foreign investment has surged in the United States, such political activity by foreign corporations has escalated at all levels of government. Foreign business executives and their American lobbyists have become familiar figures in the corridors of Congress, state houses and city halls.

Their efforts transcend issues of tax and trade. Executives of a Japanese-owned pulp mill in Sitka, Alaska, played a leading role in last year's defeat of the Clean Water Act. The Korean-based Unification Church opened a newspaper here to help alter the political climate of the capital.

Administration officials, governors, mayors and other supporters of increased foreign investment contend that the nation's greatest political and economic strengths are its openness and diversity. They oppose xenophobia, hail a global economy, and say that competition will ensure the best results in both the polling booth and marketplace.

But critics say that the surge of foreign investment and ensuing political involvement could erode the nation's independence, both political and economic.

A growing dependence on foreign investments, they say, will inevitably lead to a loss of political and economic freedom, as decisions affecting Americans are increasingly made in foreign capitals.

For two centuries, U.S. citizens invested in foreign nations and influenced their governments. During the past decade, however, the flow of investment capital has reversed. Foreign investors have found a haven in the United States, and, mainly to protect those investments, have become increasingly politically involved.

Buying Into America
The Effects of Foreign Capital
Second of three articles

Like American investors abroad, foreign investors in the United States derive much of their political influence from their economic power. Foreign investments are approaching $1 trillion and have created about 2.5 million jobs in the United States.

"You get an immediate reaction when you introduce a piece of legislation that affects these foreign investors in the United States," said Senator Lloyd Bentsen, Democrat of Texas. "They don't just stop at the Washington level. You hear from their distributors and contractors back home right away."

The Japanese have been the most aggressive, particularly in Florida and California, which adopted a corporate income-tax system that adds millions of dollars to the tax bills of many multinationals.

Those states were the two largest that taxed corporations on their earnings worldwide instead of profits earned only in that state. For example, under this unitary tax, if 10 percent of a company's sales, payroll and property are in California, then 10 percent of its profits all over the world are subject to the state's corporate tax.

Executives of Sony Corp. of America, a subsidiary of the Japanese company, threatened to cancel plans to build factories in Florida and California unless those states repealed the unitary tax. Florida complied, in a hastily called legislative session in December 1984. California demurred.

Sony of America then donated $29,000 to the election campaigns of California legislators last year. A coalition of mostly Japanese investors added $108,000.

The strategy did not get the results intended. Instead of repealing the tax, as the coalition had hoped, the lawmakers deferred action. The unitary tax bill became known as a "juice bill," to be squeezed for campaign contributions.

Although no complaints have been filed, a necessary step for an investigation to begin, the chairman of the Federal Election Commission, John Warren McGarry, said that the Sony donations apparently violated federal laws prohibiting foreign nationals from making campaign contributions.

Chris Wada, the Sony of America vice president who directed the company's campaign, declined to be interviewed.

Such donations are not uncommon. The political action committees, or PACs, of American companies entirely owned by foreigners gave more than $1 million to congressional campaigns in 1984, twice the 1982 amount. The Federal Election Commission, while allowing these PACs to continue, has asked Congress to clarify their legality.

In many cases, the political activity of foreign investors precedes their arrival in the United States. It begins when governors and mayors circle the globe trying to persuade companies to locate in their states and cities by offering a mix of grants, loans and tax abatements.

Federal officials, too, encourage foreign investors to lend money to the U.S. government by buying American securities.

Foreigners now own more than 10 percent of these securities, which are part of the nation's $2-trillion debt. Federal officials have promised foreign investors anonymity and special tax advantages, and the investors have threatened to withdraw their money unless these privileges are retained.

Similar threats have been used by foreign investors lobbying against the repeal of tax provisions that encourage investments in heavy industry. The repeal has been approved in the House of Representatives as part of the re-

(Continued on Page 3, Col. 2)

Foreign Investments in Politics

Major political action committees of U.S. corporations that are wholly owned by foreign companies. Figures show amounts raised and contributed to 1984 congressional campaigns; some companies carried over money from the 1982 campaign.

Political action committee	Foreign investor	Amount Raised	Amount Spent
Shell Oil Energy	Royal Dutch Shell, Netherlands, Britain	$191,433	$186,770
Seagrams Alcoholic beverages	Seagram Co. Ltd. Canada	173,608	162,524
Hoffman-La Roche Drugs	Hoffman-La Roche Switzerland	74,716	66,404
Ciba-Geigy Drugs	Ciba-Geigy Canada	72,101	80,995
Santa Fe International Oil and drilling	Kuwait Petroleum	66,429	70,108
Hardee's Fast foods	Imasco Ltd. Canada	51,360	42,600
Budd Co. Rail and equipment	Thyssen, A.G., West Germany	32,961	35,300

The New York Times — Source: Federal Election Commission

Reuters-UPI

Iowa was upset by UCLA in the Rose Bowl in an upsetting day for most contenders for the U.S. college football championship. Penn State was beaten by Oklahoma in the Orange Bowl and Miami was routed by Tennessee in the Sugar Bowl. Details, Page 17.

INSIDE

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WEEKEND

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■ **Union Carbide Corp.** countered GAF Corp.'s higher takeover offer. Page 11.

New Year Rings In Renewed Threats To Peace Accord in Northern Ireland

By Karen DeYoung
Washington Post Service

LONDON — Before the church bells could finish ringing in the New Year, Northern Ireland received a clear signal that the violence of 1985 would continue into 1986.

Two policemen on foot patrol were killed and a third was seriously wounded early Wednesday morning in a bomb and rifle attack by the Irish Republican Army in the town of Armagh, 35 miles (56 kilometers) southwest of Belfast.

Last year, 23 policemen were killed and 363 injured in IRA attacks. It was the highest annual toll in nearly a decade.

The attack in Armagh is one of the more visible difficulties faced by the new British-Irish agreement that was signed in November by Prime Ministers Margaret Thatcher of Britain and Garret FitzGerald of Ireland.

In some ways, the killing is the easiest problem to deal with, since bombs and bullets can be matched in kind. Another 550 British troops, the first contingents of which arrived Thursday morning, are being added to the more than 8,000 in the province.

Britain and Ireland want to restructure the overwhelmingly Protestant Royal Ulster Constabulary into a more nonpartisan police force that can fully take over security duties now aided by British troops.

But in addition to direct attacks on constables, the IRA has sought to disrupt a major British program to build new police stations and repair those damaged by guerrillas.

IRA threats against construction companies and their employees working on the program have succeeded in recent weeks in bringing it to a virtual standstill. Where work has continued, it has been done by the very British troops it was designed to make less visible.

A perhaps more ominous sign of trouble to come is the hunger strikes started in the last two weeks at Maze Prison in Belfast by members of the Irish National Liberation Army, an IRA splinter group.

Deaths during previous hunger strikes, most recently in 1980 and 1981, led to widespread violence and the rise of Sinn Fein, the IRA's legal political party.

[Another Irish National Liberation Army prisoner, Thomas Power, joined the hunger strikes at Maze Prison on Thursday morning, United Press International reported from Belfast.

[Robert Tohill and Gerard Anthony Steenson, who began the hunger strikes, said they would be joined by a new man every week. Mr. Power is one of 26 men, sentenced two weeks ago to lengthy terms for murder and other crimes.

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Israelis Ask Why They Should Bear Burden of Reprisals on Terrorists

By Thomas L. Friedman
New York Times Service

JERUSALEM — Israeli officials and newspapers have expressed satisfaction with the apparent U.S. support for retaliation over the Rome and Vienna airport attacks, but at the same time have begun raising questions about why Israel alone should bear the burden for responding to international terrorism.

Although they are very pleased to have the U.S. support, many Israeli officials are increasingly uncomfortable with the idea that they alone should retaliate for a rash of terrorism that has affected citizens of many countries, especially the United States.

Senior Israeli officials quickly add, however, that the questions they are raising should not be interpreted as precluding retaliation by Israel alone.

But they say these questions reflect two Israeli positions: that much of the terrorism is state-sponsored and can be countered only by state-sponsored economic and diplomatic sanctions, and that Israel is no longer the only target of terrorists.

The questions also probably reflect a degree of exhaustion in Israel with bearing the political and military costs of fighting terrorism.

When he addressed the Knesset on Wednesday about the Rome and Vienna attacks, Prime Minister Shimon Peres touched on these themes, particularly the failure of other countries to impose sanctions against countries that are known to support terrorist groups.

"There are some who propose a military operation against Libya," Mr. Peres said to Israel's parliament. "However, before one speaks of military operations, some simple questions have to be asked: 'Why is Libya treated with a measure of forgiveness and a closing of eyes?'

"Qadhafi is accorded receptions," he continued, referring to the Libyan leader, Colonel Moamer Qadhafi. "His country is exempt from political, legal or economic punitive measures."

Mr. Peres added: "The world is making supreme efforts to put an end to war. Countries are making supreme efforts to put an end to crime within their borders. Terrorism is a combination of war and crime. It extends across the entire globe, and the time has come to organize an international effort against it, to put an end to this ugly and dangerous hybrid.

"Israel," he continued, "will neither rest until it catches up with those who harass us, nor will it desist from calling on the world to launch a proper international effort in order to free the world of this terrible and unnecessary danger."

For Mr. Peres, the issue of how a retaliation is mounted is crucial. Senior officials say this is not only because he does not want to create a situation in which Israel becomes the world's anti-terrorism mercenary, but also because cooperative efforts would have much less of a negative impact than a solo operation on the peace process or on Israel's relations with Egypt.

Responding to Mr. Peres's speech, Ehud Olmert of the rightist Likud bloc spoke in even stronger terms about the need for joint action.

"We ought to say to our friends in America," Mr. Olmert said, "that much as we appreciate the advice that we can retaliate, we frankly don't need and never waited for American permission to protect our people. The question is what is America doing directly and independently to protect its own citizens?"

He said Israel was "ready to cooperate with the United States and if necessary to act together, but we are not going to do the job instead of America."

The extent to which this attitude has caught on nationally was reflected in an editorial in Israel's leading newspaper, Ha'aretz.

The paper noted that the number of non-Israeli casualties in the Rome and Vienna attacks last Friday far exceeded the number of Israeli casualties. One Israeli was killed and seven were injured, out of 19 killed and more than 110 injured.

Ha'aretz asked: "Will the American leadership be satisfied with giving the green light for an Israeli retaliatory action, while the United States itself refrains from making a contribution to the suppression of international terrorism?"

"There is good reason to believe that Libya is the country giving its aegis to Arab terrorism," it said. "If *this is so, there is reason to expect* that the burden of response beyond the spoken word will not be placed solely on Israel."

While no senior Israeli officials would discuss how and against whom Israel might retaliate, several said a strike against Libya could only embarrass Egypt's president, Hosni Mubarak, at a time when Mr. Mubarak and Mr. Peres were close to working out a comprehensive settlement on a variety of issues that have been complicating relations.

The Associated Press

President Ronald Reagan watched the New Year's Day speech by Mikhail S. Gorbachev at the home of his long-time friend, Walter H. Annenberg, in Rancho Mirage, California.

Gorbachev Catches Football Fans by Surprise

Reuters

WASHINGTON — Mikhail S. Gorbachev, the Soviet leader, reached a wide audience with his New Year's Day message: millions of Americans glued to their television sets for the traditional parades and college football games.

"I guess world preservation is more important than a football game," said one resigned fan, whose watching of a game on the screen in a Washington bar was interrupted by Mr. Gorbachev's five-minute address, followed by that of President Ronald Reagan.

Two of the three major U.S. networks squeezed in the prerecorded speeches between their nationwide telecasts of the Rose Bowl parade in Pasadena, California, and the Cotton Bowl parade in Dallas, which precede those popular games.

The third network aired the messages, in which both superpower leaders pledged to work for peace in 1986, between two soap opera dramatizations of life in small-town America.

The sight of Mr. Gorbachev came as a surprise to many viewers because the event had not been listed in some television schedules.

Initial reaction by those who saw the speech was generally favorable, although one man in Atlanta said he decided not to watch because "we know it's all propaganda."

A woman interviewed in Washington was encouraged by the exchange of messages.

"Just the fact that they're talking about it," peace, "is a step in the right direction," she said.

A woman in Chicago said, "The surface seemed very smooth, everyone wants peace and is willing to negotiate, but they each got their little digs in at the same time."

Reagan Talk Receives Full Play, Mixed Reactions

Reuters

MOSCOW — State-run newspapers published Thursday the full text of President Ronald Reagan's television address on New Year's Day to the Soviet people. The papers renewed attacks on Mr. Reagan's Strategic Defense Initiative.

The front pages of Pravda and Izvestia, the two leading dailies, carried both Mr. Reagan's speech and that made by the Soviet leader, Mikhail S. Gorbachev, to the American people.

But on Pravda's foreign page, a commentator said that research into a space-based missile defense, popularly known as "star wars," was being used by "militaristic circles" in the United States and NATO to threaten the world with war.

"The star wars plans and dreams of military superiority make them more and more dizzy," the Communist Party paper said.

"It is no coincidence that they tried to see in the New Year with a routine nuclear explosion in Nevada," *it added, referring to a U.S.* test Dec. 28.

Muscovites interviewed Thursday on the streets welcomed Mr. Reagan's speech and said they hoped it heralded a thaw in superpower relations. But some said they doubted if he was sincere in his calls for peace and disarmament.

"So far his actions haven't *matched his words,"* said a pensioner named Yelizaveta. "If what he says is true, then certainly we're happy. But we have to doubt it, *don't we?"*

Most said they were surprised by the broadcast, the first in 13 years a U.S. president has made to the Soviet people on television.

The five-minute address was shown on all channels at the start of the main nightly news program. As part of a joint agreement, Mr. Gorbachev made a simultaneous speech on U.S. television.

Asked if she had seen Mr. Reagan's message, a middle-aged woman named Vera said: "What do you think, of course I saw it. How could we have missed a thing like that?"

State television and radio gave no advance notice of the broadcast, and about half of those questioned said they had not seen it.

Irina, in her 30s, said Mr. Reagan's space defense plans were the major stumbling block in improving relations, a view echoing the Kremlin's official line.

"We'll see his true intentions if he decides to get rid of star wars or not," she said.

Ivan, a pensioner, said he could not understand why relations had gotten so bad.

"We fought in the same war together, didn't we? It's high time they got together and talked."

Vera said the broadcasts were directly linked with the positive tone in relations since November's summit meeting between Mr. Reagan and Mr. Gorbachev.

"It's better to see one another once than to hear from each other a hundred times," she said, citing a Russian proverb.

An office worker said he thought the messages heralded a breakthrough in relations, adding that "dialogue is the basis of peace."

Another man was more skeptical.

"I suppose we weren't fighting last year," he said. "Let's hope we will not fight this year."

Meanwhile, in a letter to a leftist politician in Britain, Mr. Gorbachev said that progress on nuclear arms control was impossible if the United States continued its research on space defense.

"Naturally, progress at the Geneva talks is possible only if space strike armaments are completely prohibited; in other words, if the star wars program is renounced," Mr. Gorbachev said in his reply to a letter written by Ken Livingstone, leader of the Greater London Council.

WORLD BRIEFS

New Zealand Fines Man in Arms Case

WELLINGTON, New Zealand (Reuters) — The cook of a French freighter was sentenced Friday to a fine of 1,000 New Zealand dollars ($500) or a jail term of six weeks for smuggling ammunition bound for New Caledonia into New Zealand.

Michel Four, 29, a French national resident in New Caledonia, pleaded guilty in Auckland district court to charges of unlawfully possessing explosives. More than 20 people have been killed in New Caledonia, a French overseas territory, in 15 months in fighting between settlers and indigenous Kanak people seeking independence.

Mr. Four said earlier that he had bought the ammunition legally in Sydney and planned to sell it to the highest bidder in New Caledonia: "I did it for the money. I am not involved with the New Caledonian problem. I do not regret anything." Police said they found 5,000 rounds of ammunition concealed in the fuel and bilge tanks of the Nouméa-*based Ile de Lumière during a routine search* Sunday in Auckland harbor.

Togo Expels Rights Group Officials

LONDON (Reuters) — Three officials of Amnesty International were held overnight in Togo and then expelled from the West African nation after arriving to investigate reports of torture, the London-based human rights organization said Thursday.

A spokesman for the rights group said the three flew Wednesday to Paris after receiving expulsion orders at Lomé airport. They went to Togo to urge the government of President Gnassingbé Eyadéma to publish the findings of an official Togolese commission on the treatment of political prisoners.

The London group said General Eyadéma had pledged in October to allow members of the organization to visit Togo and investigate reports that about 15 prisoners seized in a wave of arrests the previous month had been tortured. At least one death was reported.

Sandinists Shut Catholic Radio Station

MANAGUA (UPI) — The Sandinist government has shut the Roman Catholic Church's radio station because it did not broadcast President Daniel Ortega's yearend speech.

The station, Radio Catolica, broadcast a rosary prayer when Mr. Ortega called on the Nicaraguans on Tuesday to "unite all arms against American aggression."

The radio again failed to air the message Wednesday, violating a law requiring all radio and TV stations to broadcast government announcements considered of national interest, the Interior Ministry said. The station was shut Wednesday, but the ministry statement did not say how long it would be kept off the air. It has been closed briefly in the past for violating censorship laws.

Pope Praises Efforts of UN for Peace

ROME (NYT) — Pope John Paul II, citing the words of Mohandas K. Gandhi, praised the peace efforts of the United Nations and pledged the first day of the New Year "to the cause of peace and to the prayer for peace in our world so severely menaced."

In tones strongly supportive of the international organization, the pope recalled Wednesday that the goal it set at its establishment in 1945, under the shadow of the "cruel tragedy of the second world conflict," was "to promote the supreme goods of peace, justice and solidarity."

"If these goals remain yet today in large measure to be achieved," he said, delivering his New Year's Day address to 10,000 people in St. Peter's Basilica, "this must not be grounds for discouragement, but of renewed decisiveness and more convinced resolve." The pope quoted Gandhi: "Hatred can alone be conquered by love. Opposing hatred to hatred does nought but augment its breadth and depth."

AP

Pope John Paul II

10 Killed in Plane Crash in Antarctica

PUNTA ARENAS, Chile (AP) — A plane taking eight American tourists to spend New Year's Eve in Antarctica crashed after flying beyond its destination, killing them and two Chilean crew members, a Chilean airline reported.

A spokesman for the Aeropetrel charter company said that Chilean Air Force pilots had found the bodies amid the wreckage of a twin-engine Cessna 404 on Tuesday near their base on King George Island. He said there were no survivors.

The Americans, all men, had chartered the plane from Punta Arenas, Chile's southernmost city, to the Lieutenant Marsh base, a Chilean installation in the South Shetland Islands, the spokesman said. The base has a 40-room lodge that is used by the Chilean government to promote tourism.

Iran Reports Arrest of 69 Dissidents

NICOSIA (AP) — The official Iranian press agency said Thursday that 69 people have been arrested following the breakup of three purported underground groups. One rebel reportedly committed suicide moments before her arrest by swallowing a cyanide tablet.

The Islamic Republic News Agency, monitored in Cyprus, said one of the groups consisted of 60 ranking members of the Marxist Fedayeen-el-Khalq organization, while the other two were made up of nine members of the Mujahidin Khalq guerrilla group.

It was not immediately possible to verify the report, and there was no immediate comment from the émigré offices of the two organizations. IRNA's report said only that the arrests were made recently.

For the Record

Only 380 of 1,140 Jews who emigrated from the Soviet Union in 1985 went to Israel, the Jewish Agency, which deals with Israeli immigration organization, said Thursday in Jerusalem. *(AFP)*

Prime Minister Zhao Ziyang of China has accepted an invitation to visit Iran soon, the Iranian national news agency reported Thursday, according to a report received in London. *(Reuters)*

Rights of Bandaranaike Restored in Sri Lanka

Reuters

COLOMBO, Sri Lanka — President Junius R. Jayawardene, in an unexpected move, has restored civic rights to former Prime Minister Sirimavo Bandaranaike.

The president gave Mrs. Bandaranaike a pardon Wednesday, allowing her to resume full political activities after a five-year break.

Political analysts said Thursday that the former prime minister was expected to play a major role in finding a solution to the conflict between the majority Sinhalese people and the minority Tamils.

Mrs. Bandaranaike had been barred from contesting elections and holding public office since Parliament removed her civic rights and expelled her from the assembly for seven years in October 1980.

Mrs. Bandaranaike indicated she planned a political comeback and demanded a general election.

"The biggest problem facing the country today is the ethnic issue," she said at her Colombo residence. "Have a general election and let the people decide."

But Mrs. Bandaranaike, 69, who was prime minister from 1960 to 1965 and again from 1970 to 1977, kept the country guessing about her immediate plans, saying she had not decided on her next step.

"The door is now open for her to return to Parliament, even as the opposition leader, and also play a vital role in future ethnic crisis related matters," said Tikiri Banda Illangaratne, leader of the rival People's Party.

The constitution allows Mrs. Bandaranaike's Sri Lanka Freedom Party to ask one of its members in Parliament to resign and nominate her as a replacement.

The country was speculating why Mr. Jayawardene decided at this time to allow his arch rival to return to active politics.

Mrs. Bandaranaike said she thought Mr. Jayawardene acted under international and local pressure.

UPI/1971

Sirimavo Bandaranaike

Sources said the Indian prime minister, Rajiv Gandhi, who is trying to help find a solution to the ethnic conflict, had urged Mr. Jayawardene to return her rights.

Mrs. Bandaranaike leads the island's largest opposition party, and without her help it would be difficult to implement any decision made by Mr. Jayawardene on the conflict, analysts said.

Talks Set For Assad And Gemayel

The Associated Press

BEIRUT — President Amin Gemayel left Thursday for Damascus to meet with President Hafez al-Assad of Syria about how to enforce an agreement to end Lebanon's decade-long civil war.

Mr. Gemayel's endorsement is necessary if the accord mediated by the Syrians and signed Saturday by Lebanese militia chieftains is to be carried out.

The pact provides for the formation of a national coalition government to oversee a one-year transitional period to end the civil war, disband all militias and give Moslems an equal share of power with the dominant Christians.

Mr. Gemayel's visit to Syria, the main power broker in Lebanon, came amid mounting friction between him and Christian rivals.

Police said at least 14 people were killed and 40 wounded in New Year's Day clashes among Christian factions in a sharp escalation in the power struggle between Mr. Gemayel and the Lebanese Forces, the main Christian militia.

Mr. Gemayel, a Maronite Catholic, was reportedly bitter at not being consulted about the pact during three months of negotiations.

The agreement was signed by Elie Hobeika, leader of the Lebanese Forces, which has been challenging Mr. Gemayel politically and militarily and isolating him within the Christian community.

On the eve of the visit, the Lebanese Forces accused him of seeking to "impose a reign of terror" through car bombings, kidnappings and assassinations.

■ Rocket Hits Israeli Town

A Soviet-made rocket fired from Lebanon crashed into the northern Israeli town of Kiryat Shemona early Thursday, damaging four cars and a building, United Press International reported.

Aquino Visits a Marcos Stronghold

Reuters

NARVACAN, Philippines — Corazon C. Aquino ventured into the stronghold of President Ferdinand E. Marcos in the northern Philippines on Thursday, urging Filipinos to vote against him in the presidential election.

In her first foray into the president's fiefdom, she told thousands of cheering farmers and fishermen in the seaside town of Narvacan that all signs pointed to a clear victory for the opposition in the election Feb. 7.

Narvacan is in Ilocos Sur province about 45 miles (70 kilometers) south of Mr. Marcos's birthplace at Batac in Ilocos Norte province. The Ilocos region of Luzon island is in the heart of what Mr. Marcos has called his "solid north."

Mrs. Aquino and her running mate, Salvador Laurel, had planned to campaign in the Ilocos Norte provincial capital of Laoag but canceled the trip because local officials denied them a rally permit and radio stations refused to extend coverage.

She said at the Narvacan rally that the president's solid north had been broken.

"We are so way ahead of Marcos now he does not even feel like campaigning anymore," she said. "What he is concentrating on now is how to cheat."

Before heading north, Mrs. Aquino responded to the president's description of her as "an inexperienced pilot." She said that re-electing Mr. Marcos would be "like booking a flight on a plane full of terrorists."

She asked: "Whatever makes the president think he has been piloting the airship of state safe to its destination?"

Manila's Catholic bishops, including Cardinal Jaime Sin, have issued a pastoral letter calling on people to vote in the election and to try to prevent ballot box fraud, cheating and other irregularities.

SATIRE IN WORDS AND PICTURES
DOONESBURY
DAILY IN THE INT

Blacks Honor White Foe of Apartheid

By Alan Cowell
New York Times Service

PORT ELIZABETH, South Africa — To the strains of black nationalist chants and Christian hymns, Molly Blackburn, one of South Africa's most prominent, white activists, was cremated Thursday after a funeral ceremony that became an emotional tribute by thousands of the poor and voteless blacks whose cause she had espoused.

Mrs. Blackburn, 55, who died in an automobile accident Dec. 28, was "a warrior for justice who walked briefly in a troubled land," said Sheenah Duncan, leader of the Black Sash white women's movement of which Mrs. Blackburn was a member.

"Africans in this country," said Mkuseli Jack, a prominent black leader in this port city, "are walking tall in the trail she blazed."

He and others, including the Reverend Allan Boesak, president of the World Alliance of Reformed Churches, spoke from the pulpit of St. John's Methodist Church, where uniformed young black militants stood over the coffin, in the manner of the many funerals that Mrs. Blackburn attended for victims of unrest in black townships. She had been one of the few whites to do so.

A mother of seven, Mrs. Blackburn was a member of the Progressive Federal Party, the official white parliamentary opposition, and one of the few whites in South Africa to be welcomed and accepted in segregated black townships.

More than 10,000 blacks flooded into Port Elizabeth's white areas to attend what became the biggest funeral rally in South Africa's recent history for a white anti-apartheid politician.

Inside the church, the order of service offered hymns such as "Onward Christian Soldiers."

Outside, young black activists sang in support of the violent overthrow of white minority rule and chanted a battle cry that said: "There is no freedom in South Africa without bloodshed. There is no freedom in South Africa without war."

Many paraded the black, green and gold colors of the outlawed African National Congress, which has wide support among black activists.

Their open defiance of laws banning any action deemed to further the organization's aims seemed to be both a tribute to Mrs. Blackburn's position among radical blacks, who normally eschew white politicians, and a statement of black commitment in a white neighborhood.

Still, the South African reality of separation and mistrust intruded.

Riot police arrived with dogs, shotguns and whips but were prevented from taking action by black activist leaders who, after the funeral, loaded the thousands of blacks attending into buses so that they could be driven back to their segregated townships without incident.

The United Democratic Front, the biggest nonparliamentary opposition movement in South Africa, said its followers had organized the black attendance at the funeral.

Outside the church, under trees full of foliage that offered shade from a harsh sun, an old black woman, who did not want to give her name, took a reporter aside to explain not so much the politics but the frail strand of hope that Mrs. Blackburn had seemed to impart to many of the blacks she knew.

"At many white homes," the woman said, "you, as a black, are made to stand at the gate. At Molly's home, you felt at home, a human being, straightaway."

"She was our mother," she said, full of the tears that many shed openly inside the packed church.

Reuters

Two uniformed youths flanked Gavin Blackburn at Thursday's funeral of his wife, Molly, a leading white activist.

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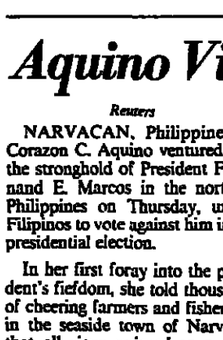

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U.S. Air Force Ordered Buyers to Step Up Use Of '85 Funds for Parts

By Fred Hiatt
Washington Post Service

WASHINGTON — The U.S. Air Force's Logistics Command ordered its spare parts buyers to spend as much money as possible in the last 10 days of 1985 because appropriated funds were accumulating faster than the air force was using them, according to military officials.

In a Dec. 20 message, the command told its 3,000 procurement employees to commit funds "to the maximum extent possible" by Dec. 31. The message also cautioned that the directive should not override "constraints of law, directives, prudence" and rules concerning "bona fide need."

Critics have said that orders to step up the pace of spending encouraged the Pentagon to agree to buy parts first and negotiate the exact price later.

A recent report by the oversight and investigations subcommittee of the House Energy and Commerce Committee said the Pentagon had a $28-billion backlog of orders that had not been priced. This, it said, was a sign that the military was "so awash with procurement funds that it must resort to wasteful and irresponsible procurement practices."

Colonel Robert F. Swarts of the air force said that on Dec. 1, two months after fiscal 1985 had ended, the air force had $700 million left from spare parts budgets from previous years. The air force had fallen behind because of "turmoil" in spare parts buying, the colonel said, but not because Congress had appropriated more than the air force needed.

Colonel Swarts is a logistician, meaning that he specializes in procurement, maintenance and transportation of military supplies.

He said the Dec. 20 message followed "pretty intense pressure" from top Defense Department officials. The officials he said, would not release $3 billion that had been budgeted for spare parts for fiscal 1986 until the air force spent more of its 1984 and 1985 money.

Richard E. Carver, assistant secretary of the air force for financial management, said he believed that management of the air force spare parts program had improved.

He also said, however, that the management of funds lagged behind increases in funding that began in 1981.

Mr. Carver said that only "semantical differences" and misunderstandings about air force accounting systems had prompted Defense Department officials to delay release of the 1986 funds.

Both Mr. Carver and Colonel Swarts said that increases in funds and changes in procurement procedures, both ordered internally and mandated by Congress, had slowed the buying process.

More than 2,000 spare parts specialists have been hired by the Logistics Command, Colonel Swarts said, after reports about purchases of parts at highly inflated prices.

Partly as a result, the command takes more than 260 days to process spare parts orders of $100,000 or more, the officials said. Another two years pass, on average, before those parts are delivered, Colonel Swarts said.

Reuters-UPI

Apparent Suicide Blast in U.S. Kills Man, Injures 10

A man who apparently disconnected the gas meter from a pipe in his basement in order to commit suicide caused an explosion that killed him and injured at least 10 persons, authorities in Portland, Oregon, said. The blast damaged 30 to 40 houses, some three blocks away, reports said.

Bill Veeck, Flamboyant Team Owner In Major League Baseball, Dies at 71

United Press International

CHICAGO — Bill Veeck, 71, who had owned three major league baseball teams, died Thursday of cardiac arrest at Illinois Masonic Hospital.

He had been hospitalized for several days with respiratory problems, hospital officials said.

Known for his flamboyant style of attracting fans, Mr. Veeck pulled his most famous and controversial stunt in 1951 when he used a midget to pinch hit for the St. Louis Browns.

His greatest success came with the Cleveland Indians from 1946 through 1949, with the team setting attendance records and winning the World Series in 1948.

After selling the Indians, he purchased the Browns in 1951 and acquired control of the Chicago White Sox in 1959, when the club won its first American League pennant since 1919.

Mr. Veeck sold the White Sox in 1961 and for a while sold stock in Boston before returning to baseball as president of the White Sox in 1975.

He served with the U.S. Marines during World War II. His right leg, severely injured when it was hit by a recoiling artillery piece on the south Pacific island of Bougainville, was amputated in 1946.

UPI

Bill Veeck

His flamboyance was well-received by fans, but sharply criticized by more staid colleagues.

To promote baseball, Mr. Veeck used brass bands and fireworks, morning games at which spectators got free orange juice and cereal, hired clowns to perform on the field and in the stands and experimented with numerous other stunts.

He once said that "all sports entrepreneurs — whether baseball, horse racing, football or whatever — should keep in mind one thing: They should strive to create an atmosphere of fun. This is the entertainment business, not religion."

■ *Other deaths:*

Clarence Francis Gaines, 88, founder of the Gaines Dog Food Co., Tuesday at his home in Winter Park, Florida.

Emmet Lavery, 83, the stage and screen writer who received an Oscar nomination for the film "The Court-Martial of Billy Mitchell," Wednesday in Los Angeles.

John F.N. Hume Jr., 70, president and former secretary of the Daily Gazette Co. and former editor of the Schenectady Gazette, Wednesday in Schenectady, New York.

Max Friedman, 96, member of the Pro Basketball Hall of Fame since 1971, Wednesday in New York.

Bruce A. Norris, 61, owner of the Detroit Red Wings from 1955 to 1982 and member of the National Hockey League's Hall of Fame, Tuesday of liver failure in New York.

Foreigners Find Investment Can Mean Clout in U.S.

(Continued from Page 1)

cently passed tax-overhaul bill, and the issue is pending in the Senate.

The contributions of PACs of foreign-owned U.S. subsidiaries have generally followed the pattern of domestic PACs. Most of the money went to incumbents and Republicans.

Major PAC contributors to the 1984 congressional campaigns included Swiss-owned Sandoz ($251,000) and Canadian-owned Seagram ($162,000).

Critics also are concerned about PAC contributions to local political organizations and candidates. The PAC of Shell Oil Co., a wholly owned subsidiary of Royal Dutch Shell, a Netherlands corporation, gave $726,000 to an organization that sought to block a proposed oil tax in a referendum before California voters. The referendum calling for the tax was easily defeated.

Many members of Congress say they are unaware of the foreign connections of some PACs.

Representative Thomas J. Downey, Democrat of New York, would not have accepted campaign contributions totaling $500 from the Revere Sugar Co. PAC, his campaign manager said, had he known that the company was wholly owned by a Philippine business associate of Imelda Marcos, whose husband, Ferdinand E. Marcos, is president of the Philippines.

The same PAC donated $2,350 to candidates in the 1984 congressional races, all to Democrats.

"The election laws should be changed to indicate when a PAC represents a foreign-owned company," said Isabel Solomon, Mr. Downey's campaign manager.

Mr. McGarry, the Federal Election Commission chairman, said in response: "I think it's a good idea. The entire thrust of the election reform law is full disclosure."

"Nobody knows the extent of either foreign ownership of American companies or their participation in politics," he added.

In 1982, the Korean-based Unification Church founded The Washington Times newspaper to provide a conservative voice in the nation's capital. Thus far, $100 million has been invested into the paper, according to Arnaud de Borchgrave, the editor in chief.

Some critics say the newspaper goes too far. "They're injecting ideology into news columns, particularly in the play they give stories and headlines," said Jack Nelson, Washington bureau chief of the Los Angeles Times.

The surge of foreign investments in the United States has touched off a political debate that focuses not merely on the overall merits of such investments, but also on a host of peripheral issues that include the following:

- A gap in data about the extent of foreign investments and the identity of investors and their countries.
- Lack of reciprocity by some who invest in the United States but ban similar investments in their own countries.
- Charges that U.S. taxpayers are providing grants and tax advantages that help foreign competitors gain an edge over domestic companies.
- Charges that Third World investors are sending American economic aid back to the United States, rather than investing in their own countries.
- Anti-union practices by many foreign investors.
- Charges that some foreigners have purchased U.S. companies to acquire their technology, to the detriment of American competitors.

NYT

'You get an *immediate reaction* when you introduce a piece of legislation that affects these foreign investors.'

— Lloyd Bentsen

The Reagan administration strongly supports investments by foreigners.

Such investment provides "jobs, financing and helps keep interest rates down," said Commerce Secretary Malcolm Baldrige. "I think socially as well as financially, there's much more gain by having an open investment policy throughout the world than the converse, which are barriers that impede capital flows."

But major concerns have been expressed by some members of Congress, as well as some governors of Western states whose constituents have bridled under absentee ownership of state resources. Governor Richard D. Lamm of Colorado raises the specter of what he calls "economic colonialism."

"What I'm looking at," he said, "is a history of past colonialism in the west, which made us dance to a tune played afar."

Foreign investment was on the agenda of a recent House Democratic Task Force on Trade.

"The real thinkers around here are concerned about the long-term cost of the capital inflows," said Representative Don Bonker of Washington state, chairman of the task force. Foreign purchases of U.S. securities help finance the national debt, but must be repaid with interest, he noted. "It's subsidizing the present for the hardships of the future."

Not all the critics are Democrats. Senator Frank H. Murkowski, Republican of Alaska, referring to foreign investment, said, "Once they own your assets, they own you. They employ you."

TOMORROW: Foreign investors change the way Americans live.

U.S. Group Attacks Arab Stereotypes

(Continued from Page 1)

Dakota who founded the anti-discrimination committee in 1980 and is its chairman.

The group's emergence reflects a rising ethnic consciousness among Americans of Arab descent, who probably number between 735,000, according to a rough estimate by the Census Bureau, and 1.5 million or two million, according to Alixa Naff, a scholar who has spent eight years studying Arab immigration.

In the past, many Arabs have tried to melt inconspicuously into American society, following patterns set by earlier immigrants.

"A lot of Arab-Americans have sort of run and hid," Mr. Abourezk said. "A lot of Lebanese have changed their names to make them sound more Americanized."

Now, however, new immigrants and the children and grandchildren of the earlier arrivals are wearing their Arab heritage proudly and growing more sensitive to the slurs they see in films, political cartoons, books and television programs.

Their letters flow into the offices of the anti-discrimination committee, which then contacts the offenders and tries to have the billboard taken down, the ad withdrawn or the script rewritten.

"Television is full of Arab baddies — billionaires, bombers and belly dancers," wrote Jack G. Shaheen, a professor of mass communications at Southern Illinois University, in his book "The TV Arab." Mr. Shaheen's eight-year study found all three major television networks equally offensive.

"Television tends to perpetuate four basic myths about Arabs," he wrote. "They are all fabulously wealthy; they are barbaric and uncultured; they are sex maniacs with a penchant for white slavery; and they revel in acts of terrorism."

He added: "These notions are as false as the assertions that blacks are lazy, Hispanics are dirty, Jews are greedy and Italians are criminals."

But unlike those groups, Arab-Americans say, they have not yet been brought under American society's umbrella of protection against racial and ethnic stereotyping.

"We have not entered the mainstream as Jews have," said James Zogby, a former director of the anti-discrimination committee. "Jews are viewed as multidimensional characters in this society. There is Jewish fear, hope, passion, personality. Arabs simply don't have a personality in this society."

The committee says that when it points this out, it is usually a revelation for the offender, who has not even realized what he has done.

"I tell people, 'If you're not sure if you're being a racist, just substitute the word "Jew" for the word "Arab" and see how it sounds,'" Mr. Abourezk said.

Riding Republican Tide: Party Seeks to Buck Losses

(Continued from Page 1)

sonable and attractive president."

"But if we see young people staying the most Republican group in the electorate," he said, "if we see first voters registering Republican, then we'll have a good chance to win the presidency again in 1988 and become the majority party of the 1990s."

Mitchell E. Daniels Jr., the assistant to the president for political affairs, said that retaining control of the Senate is the White House's priority and may be the Republicans' toughest challenge.

Kevin Phillips, an analyst, has pointed out that since 1950, in the five midterm elections held when they controlled the White House, Republicans have usually managed to win fewer than one-third of the Senate seats at stake.

With 22 Republican and 12 Democratic seats up, Republicans would have to win 65 percent of the races to maintain their current 53-47 majority, and 56 percent for a 50-50 tie, which Vice President George Bush could break for the Republicans.

Without leverage in either chamber of Congress, Mr. Wirthlin said, "the president will be very much on the defensive in 1987-88 and he doesn't play well on defense."

Should the Democrats regain control of the Senate, they could use committee hearings and legislation to shape the issues for 1988.

In contrast to the Senate, the House looks quiet this year, with most of the battles expected in open seats and general expectation of a modest Democratic gain.

Pollsters in both parties find no overriding issue and no great interest in politics at the national level. But trade issues have heated up, especially after Mr. Reagan vetoed relief for the textile and shoe industries, and the plight of the farmers could still be a major political issue.

A larger unknown is the federal deficit, which Mr. Wirthlin's partner, Vincent Breglio, said is "moving up very fast from a blip to be equal with unemployment" as a public issue.

The president has put the military, Social Security and raising taxes off limits for budget cuts. This could pit against Mr. Reagan some Republican senators who are running for re-election. Senator Robert J. Dole, Republican of Kansas, and Representative Jack Kemp, Republican of New York, must face the voters this year before opening their expected challenges to Vice President Bush in the 1988 Republican presidential primaries, but neither faces major opposition.

On the Democratic side, Senator Gary Hart is considered the frontrunner for the 1988 Democratic primary for president, but the Colorado Democrat is expected to announce he will not seek re-election to the Senate. That leaves Governor Mario M. Cuomo of New York, Representative Richard A. Gephardt of Missouri, and Senator Dale Bumpers of Arkansas, as the only possible Democratic presidential contenders in elections this year. All of them are expected to be re-elected by big margins.

Assad Policies Are Showing Ascendancy

(Continued from Page 1)

lis. Syrian support for "national liberation forces" in Lebanon forced the Israelis to pull back from most of their area of occupation last summer.

If Mr. Assad is not celebrating his Lebanon accord just yet, it may be because the agreement is still a long way from being carried out.

An apparent attempt to assassinate Mr. Gemayel on Tuesday and heavy fighting in southern Lebanon between Moslem forces and an Israeli-backed militia are only two of the many problems that could cause the accord to fall apart.

Nor is it clear what gains are to be counted from Mr. Assad's meetings in Damascus on Monday and Tuesday with King Hussein of Jordan. The visit was the king's first to the Syrian capital in six years.

The failure to issue a joint statement after two days of extensive negotiations has led many diplomatic analysts to conclude that Mr. Assad and Hussein were unable to reach agreement on the presumed main point of the talks, approaches to Middle East peace.

In recent months, both Syria and Jordan have endorsed the idea of an international conference to resolve the Middle East problem.

But it appears that Mr. Assad was unable to persuade Hussein to abandon either a joint peace initiative he signed last Feb. 11 with Yasser Arafat, chairman of the Palestine Liberation Organization, or Mr. Arafat himself, with whom Mr. Assad has a longstanding personal feud.

In addition, Jordan maintains close ties with Iraq and Egypt, both of which Syria bitterly opposes.

Mr. Assad's most notable success, according to Western diplomats, was in foreseeing that the Middle East peace moves mapped out by Hussein last year were doomed to failure and that he needed only to stand by and wait until that failure became obvious.

"Assad is clearly vindicated in his apparent conviction that the United States and Israel would never let the peace process take place," a Western diplomat said. "Everybody has played into his hands."

With peace efforts apparently derailed, Mr. Assad can now return to what he has repeatedly declared to be the only way for the Arabs to deal with Israel: Achieving strategic military parity.

Mr. Assad's decision to introduce mobile surface-to-air missiles into Lebanon appears to be more a political testing of Israel's resolve than a military stratagem, according to officials here.

Two to four batteries of surface-to-air missiles, SAM-6s and SAM-8s, have been deployed along ridges in the Bekaa Valley near the Syrian border. They are believed to form an anti-aircraft shield with SAM-2s deployed just inside the Syrian border.

According to most diplomatic analysts, Israel would still probably win any military encounter that might arise over the missile deployment. But, they say, Syria is steadily making it harder for Israeli planes to range freely over Lebanon.

New Year Brings New Threats to Northern Ireland

(Continued from Page 1)

who have pledged to starve to death unless they are given new trials.]

By giving Dublin a formal consultative voice in running the province, she and Mr. FitzGerald hoped to reassure Catholic nationalists that their grievances could be addressed short of their goal of a reunited Ireland.

It is the militant Unionists who have posed the most immediate threat to the accord. Ian Paisley, leader of the Democratic Unionist Party, ends his near-daily speeches to cheering crowds in the province with a trademark crescendo of defiance: "Never! Never! Never!"

The British and Irish governments, perhaps wistfully, hope that Mr. Paisley's efforts ultimately will prove futile, much as segregationist attempts waned in the South of the United States.

But as Mr. Paisley often points out, he has fought and won similar battles before, playing no small part in bringing down, in 1970 and 1974, two previous British governments that tried to end the troubles in Northern Ireland.

The next three weeks will be a crucial test of the efforts by Mr. Paisley and James Molyneaux, leader of the Ulster Unionist Party, to prove to Mrs. Thatcher that Protestants will not accept the accord. On Jan. 23, a parliamentary by-election will be held that, they believe, will demonstrate their point overwhelmingly.

Having failed to force Mrs. Thatcher to hold a referendum in Northern Ireland on the agreement, Mr. Paisley, Mr. Molyneaux and 13 other Unionist politicians last month resigned the seats they held in the British Parliament.

Northern Ireland has 17 seats in Parliament. The Unionists held 15, the Social Democratic and Labor Party has one and Sinn Fein one.

Sinn Fein is not likely to contest the seats. But for the Social Democratic and Labor Party, which strongly supports the British-Irish agreement, the election could be as crucial a test as for the Unionists.

At least four of the 15 seats are in districts with large Catholic populations and were won last time by slim Unionist majorities. If the Social Democratic and Labor Party can win any seats, it will be a major victory for it and for the agreement.

Should they fail in the election, the Unionists plan an extended campaign of civil disobedience.

Police in Europe Say They Foiled Arab Plots

(Continued from Page 1)

he visited Vienna last weekend. It was confirmed by one of the two terrorists held by the Austrians.

The information provides a clear link between the two airport attacks. It also illustrates the way European police forces are tightening cooperation against terrorism after the attacks.

In Belgium, police said that the two Arabs arrested, whose names and nationalities have not been disclosed, arrived at Brussels Airport from Athens last Saturday.

They were followed by plain-clothes officers from Belgium's "Dyane" anti-terrorist squad after one of them was registered on the airport computer as having attended a terrorist training camp in Lebanon.

The suspects were trailed to the provincial town of Hasselt about 40 miles (65 kilometers) east of Brussels, where they were met by the unidentified owner of a local video shop.

He was described only as a "Belgian resident," who had a previous conviction for illegal possession of arms.

Police went to the store Monday night and arrested the Arabs and the owner.

They discovered more than 40 pounds (18 kilograms) of explosive, including 24 pounds of East European-made TNT, along with a heavy machine gun, four rifles, assembly kits for five pistols and revolvers, hand grenades, detonators and several hundred rounds of ammunition.

In Rome, officials said that Mr. Sica, the Italian investigator, is particularly interested in the origins of the arms and the fact that they were discovered in a video shop.

Italian investigators suspect that some Arab terrorists may be obtaining arms and explosives in Europe from organized crime bodies such as the Mafia.

They say terrorist groups may pay for this help by assisting organized crime bodies to obtain drugs in the Middle East and smuggle them into Europe.

In Europe, drugs are frequently distributed through video shops and smuggled in consignments of videotapes.

Spanish police played a prominent role in the arrest of three men in Paris.

A man recently spotted by police photographing the synagogue on Rue Copernic was followed to Madrid.

Spanish police discovered plans to mount the attack, and tipped off the French authorities, who arrested the three men shortly after they arrived in Paris with the equipment for manufacturing a bomb.

Uganda Curbs News of Army

Reuters

KAMPALA, Uganda — Uganda imposed censorship Thursday on news about its security forces, after rebels charged that government troops were continuing to slaughter civilians.

The military chief, Lieutenant General Basilio Olara Okello, said a "press security committee" was being formed to "scrutinize and approve or disapprove all news items on security forces before they are printed or broadcast."

"No news regarding security should therefore be printed or broadcast without prior consultation with and clearance of the committee," he said.

His statement followed accusations by rebels of the National Resistance Army that government soldiers had killed more than 300 people since Uganda's military rulers and the guerrillas signed a peace accord Dec. 17.

That agreement ended a civil war that followed the July coup against President Milton Obote.

The defense minister, Gard Wilson Toko, also was reported Thursday to have admitted that government troops were continuing to kill and terrorize civilians in the northern town of Lira.

General Okello said the new press security committee would include representatives of the army, the police and the press.

He did not say what action would be taken against violaters of the rules, and it was not immediately clear how the curbs would apply to reports transmitted outside Uganda.

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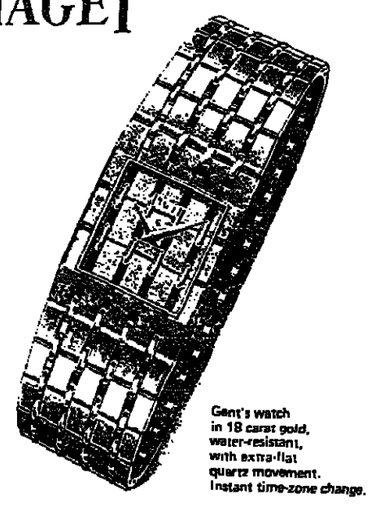

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Gorbachev's Inheritance

Of Mikhail Gorbachev's inheritances, the sorriest is the war in Afghanistan, begun by Leonid Brezhnev six years ago and implacably pressed by two aging successors. The Kremlin insists that "foreign intervention" perpetuates the conflict. But that fiction finds no takers outside the Soviet bloc, as shown by repeated votes at the United Nations. The one scant hope is that the new Soviet leader will reach for the available settlement before the war is unmistakably the Gorbachev quagmire.

Encouraged by Soviet hints, the Reagan administration has made an important offer to act as a guarantor of a settlement. That means the withdrawal of an estimated 118,000 Soviet troops could be linked somehow to the end of American and other outside assistance to the Afghan resistance, leaving a Communist regime in Kabul to fend for itself against a fiercely hostile population.

That is the essence of the accord proposed by a UN mediator. It is acceptable to Pakistan, whose frontier security has been directly at risk. The nominal obstacle has been Moscow's refusal to submit a timetable for withdrawal. The real obstacle is the Kremlin's fear for its client regime in Kabul. Given that fear, a Soviet retreat is unlikely but not unthinkable — especially if there is substance in Kabul's latest offer of a Soviet pullout within a year.

No Soviet act in recent decades has provoked such universal condemnation as this lunge against a primitive and unthreatening neighbor. In a General Assembly vote soon after the invasion, 104 nations called for the immediate withdrawal of foreign forces; 16 nations were opposed and 28 abstained. Since then the margin has only grown; last November a similar resolution passed by a vote of 122 to 19, with only 12 abstentions.

Equally devastating has been the world's judgment of Soviet barbarities in Afghanistan. In its first inquiry into the crimes of a Communist country, a UN commission confirmed the use of bombs disguised as toys to cripple children and savage tactics to slaughter and starve civilians. With thousands of Soviet casualties a year, Kremlin rulers have been hard put to counteract the shaming news seeping into their society; they have recently unleashed a defensive celebration of Red Army heroics.

This dirty war has so far cost 500,000 lives and driven three million Afghans into exile. Even so, most of the country refuses to lie subdued. If the Soviet Union's longest war bleeds on, it will say nothing new about the behemoth that launched it. But it will tell a good deal about the stature of the Soviet leader who inherited it.

— THE NEW YORK TIMES.

Soon, Too Few Americans?

One of the statistics that tells you most about attitudes in a society — and about its future — is the birthrate. Rates reached record lows in the depressed 1930s and rose to unexpected highs in the buoyant economic growth years after World War II. The record low rates of the last 15 years have been accompanied by the entry of women into the work force in large numbers and by striking changes in cultural and moral attitudes. Now there are signs — lower divorce rates, for example — that some of these attitudes are changing. But those who think that America is headed back into the 1950s should ponder the latest news on birthrates. For the year ending in June 1984, the number of children born per 1,000 women of childbearing age is lower than ever.

The figures tell some other interesting stories, relevant to public policy. First, poorer and less educated women are much more likely than their upscale counterparts to have children. This means that increasingly the United States is becoming — to exaggerate a bit — a nation of rich adults and poor children. The need for government programs that give poor children a fair chance for good health and a good education will continue.

The need for day-care services of some kind evidently will increase, too. Nearly half — 47 percent — of mothers of children under 1 year old were in the labor force in 1984, compared with 38 percent in 1980 and 31 percent in 1976. Not all of these women hold or seek full-time jobs, but there is obviously a weakening of the traditional belief that mothers of young children must remain in the home. Both those who hail and those who deplore this trend should be concerned about the care these young children receive and should ask whether government can do things to make it better.

Not all the trends point in exactly the same direction. The birthrate of women in their early 30s is up, indicating that some products of the baby boom have been only postponing having children rather than deciding not to have them altogether; but the rise is small and does not counterbalance the general decline. Black and Hispanic women continue to have more children than whites, but the difference between blacks and whites is not large.

A dozen years ago many observers feared that there would be too many Americans; now many fear there will be too few. The long-run implications for the military manpower pool and the balance between taxpayers and Social Security recipients are genuinely unsettling. There is, however, this comfort: The line on the birthrate graph has always shifted, usually when people expected it least and for reasons that became apparent only long afterward. In demographics, there is always a next year.

— THE WASHINGTON POST.

Good Sense on Retirement

The trend toward abolishing mandatory retirement continues. By federal law, most private-sector workers are protected against forced retirement before age 70; federal employees can work until any age. Beginning with California in 1978, states have been moving to eliminate any mandatory retirement deadline, and New York has just become the 12th state to make such legislation effective.

When Congress raised the retirement age from 65 to 70, it seemed a sound thing to do even though there were social and economic implications to be concerned about. What if large numbers of people elected to stay in the work force another five years? Would they displace younger workers or cause significant declines in productivity? Would it be possible to adjust employee benefit packages to accommodate older workers? Would health insurance costs soar and absenteeism increase?

In practice the new limit has worked well. There have been few problems of this kind. Most Americans still want to retire relatively early, particularly those whose work requires physical exertion. In 1981, for example, only 7.3 million of the 36 million Americans over 60 were still working.

Those who took a different course and continued to work did some good not only for themselves but also for the national coffers. For one thing, older workers do not draw Social Security. They continue to make contributions as well as to pay income tax. In many cases they postpone receiving private pension benefits; in other instances, particularly in the case of women who enter the work force later in life, those extra years on the job enable them to earn substantial retirement benefits and to preserve their independence.

Every one of us has worked with a few people who should have retired at 32 and has known others who were full of energy, insight and creativity at 85. Mandatory retirement at any age is not a concept that can be applied fairly or with any sense to the entire population. State laws allowing more flexibility and individual choice are a good thing.

— THE WASHINGTON POST.

Russia's New Talk of an Afghan Solution

By William Pfaff

PARIS — It is a good thing that the Soviet leaders are talking about compromise in Afghanistan, even if what they mean by compromise is not yet what other people mean. The time approaches when the men in the Kremlin will confront the stark and instructive fact that they cannot have what they want in Afghanistan. It will be a lesson with larger implications — for the eventual Soviet position in Eastern Europe, for example.

The Soviet government has made known, by a commentary in Pravda on Dec. 21, that "a positive dialogue" among various political forces in Afghanistan is desirable, to include those "who hold positions hostile to the revolution." The revolution, if you did not know, was the series of coups, countercoups and murders — by Soviet agents, among others — that brought the present regime of Babrak Karmal to power in Kabul in 1979.

> ***You have to be going somewhere to pursue a war like this, and the Russians see the guerrillas getting stronger, not weaker.***

Things have not gone well since. It is estimated that 30,000 Soviet casualties, one-third of them fatal, have been suffered since 1979 in the unsuccessful struggle to impose Mr. Karmal's authority throughout the country. The struggle against popular resistance has produced those demoralizing effects among Soviet forces that other armies in other places have suffered — drug addiction and drunkenness, black marketing, desertions and dereliction, the fragging (to use a word from the Vietnam War) of overzealous officers by survival-minded soldiers.

Only elite formations — paratroops and commandos — have proved effective against the guerrillas, and their successes are not adequately followed up by regular forces. The Afghan Army of Mr. Karmal has proved all but useless to the Soviet occupation command, and is a subversive source of intelligence and supply to the guerrillas. There has been trouble between Afghan soldiers and Russians, and inside the Soviet Army between European and Asian troops. No one who knew Vietnam will be surprised.

The conventional wisdom has been that these difficulties nonetheless are indefinitely manageable if the political will to continue the struggle is there, and that Soviet arms eventually can wear down the resistance. Perhaps. That was said of the United States in Vietnam. After a time, though, this kind of thing tends to bend the political will of the most hardened.

You have to be going somewhere to want to go on with a war like this, and in Afghanistan the Russians see the guerrillas getting stronger, not weaker — better organized and commanded, tactically more sophisticated, more professional, better armed, although still without the advanced infantry air-defense missiles and certain other modern arms that could easily be supplied them.

The Pravda commentary said that "time is needed to remove the accumulated prejudices and to dispel illusions" about the revolution — this being how the Soviet official class chooses to describe what drives the mujahidin resistance.

The assumption behind the Pravda article, that the political tactics of the Afghan government are responsible for the situation, prompts its proposal that the base of that government be enlarged. This happened a few days later. Just after Christmas, several new, non-communist figures were nominated to the government. The aim of this, however, is contradictory. It is to provide the government with sufficient credibility to allow it to master the opposition, so as to be able once again to gather all power back into its own hands. This is not compromise but maneuver.

The Pravda comment and related changes in Kabul nonetheless are significant. A shift in the ideological assessment of a situation has in the past served to mask, and at the same time signal, policy shifts dictated by Soviet Realpolitik. What Pravda says must be judged in the light of what happens next in the United Nations-sponsored Geneva talks on Afghanistan, the latest session of which was suspended Dec. 19, but which will resume by March.

The Soviet Union is looking for a solution in what really is a palliative, the provisional broadening of Kabul's government. This could have made sense seven or eight years ago. Once the Soviet military intervention began, the struggle changed from one between social and political interests within Afghanistan to a war between the Soviet Union and the most extensive and dynamic political forces in the country (and the region), nationalism and religion included.

The only solution now is for the Soviet Union to get out of Afghanistan. This would be in the interests of all, incomprehensible as the Soviet leaders may find the idea. Pakistan would certainly do everything possible to make withdrawal easy for the Soviet Union, and to provide security guarantees and assurances of neutrality in the superpower conflict. The United States is committed to guarantee a settlement that includes a Soviet withdrawal.

There is nothing for the Russians in Afghanistan now but grief. They remain unwilling, perhaps unable, to admit this. Yet it is important that the problem now looms large enough in Moscow for the Soviet leaders to have begun talking in public about changing course, even if the change they have in mind is only to a different route toward the same goal. In time they will discover that this is a blocked road, too; then they may have to become serious.

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The Food Revolution: 2 Plants Where 1 Grew Before

By Ward Sinclair

This is the second of two articles.

WASHINGTON — While world grain and oilseed production has increased by about 157 million metric tons in the past three years, consumption has increased by only 100 million tons. Competition for markets intensifies, and pressure mounts on developed countries to reduce the costs of propping up their farming structures.

"Few of the mid-level developing countries can afford farm subsidies, but their high debt structures are forcing them to maximize their farm exports and minimize their imports," Dennis T. Avery, a senior agricultural analyst at the U.S. State Department, wrote in a recent report.

"Less-developed countries imported increasing amounts of food in the 1970s rather than try to raise their domestic food output," he said. "Increasing populations and the scarcity of foreign exchange now are forcing these countries to reverse this policy — and they are finding important farm productivity potential when they support their farmers with incentives."

The real sleeper in these changes is science and technology, which make it possible, in Mr. Avery's words, "to grow two stalks of grain where only one grew before." A major engine driving this change is the Consultative Group on International Agricultural Research, or CGIAR, a global network of 13 scientific institutes funded in part by the U.S. Agency for International Development.

CGIAR's pioneering work in Mexico, where high-yield "miracle" wheat started the Green Revolution, is being replicated and expanded to other crops and livestock in other areas. CGIAR research, increasing the cultivation and yield possibilities for such staples as corn, rice, beans, potatoes, cassava, barley and sorghum, is in wide use and producing impressive results in developing nations. Mr. Avery's case studies of these changes, many spurred by CGIAR, abound.

Irrigated cropland expanded by 20 percent in the 1970s, much of it in economical, small-scale delivery systems that have boosted yields. Two states in India increased wheat crops by 40 percent last year by tapping underground water flows. Turkey, which increased farm productivity by a third between 1970 and 1982, is building three dams in the upper Euphrates valley that will add more than 19.7 million acres (8 million hectares) to the cropland base.

The Leucaena leucocephala tree "is staging a one-species attack on hunger and soil erosion" in the Philippines, India, Sumatra and Africa. Its high-protein leaves have made dairy farming possible for the first time in India. It is used in Sumatra to stabilize rice terraces and, being leguminous, it regrows from cut stumps to produce a regenerating source of firewood. In Africa it is used to fertilize crops, provide fuel and stem erosion. It has converted stretches of useless saw grass in the Philippines into timber stands that grow five times as fast as do the trees in a commercial pine plantation.

Most of the nations of Latin America, although overshadowed by the huge potential of Argentina and Brazil, have shown steady agricultural growth during the last decade, with more expected as new CGIAR seed varieties and technology arrive.

Guatemala last year had exportable surpluses of corn, sorghum and rice. The Dominican Republic, breaking away from its old reliance on sugar, is expanding its agriculture in all directions. Peru, one of the few Latin nations where per capita food production has gone down in the decade, now is looking at enormous new potential in the Amazon uplands, where researchers have debunked the long-held theory that the soils were so fragile that they could not be profitably cropped.

Even in Africa, perhaps the bleakest agricultural region, the winds of farm change are blowing strong. Successful field trials of a new sorghum variety in Sudan, and new types of white corn, cassava and rice, are lifting yields throughout West Africa; better and less expensive pest-control methods and cultivation techniques are producing almost instant increases in farmers' productivity.

Mr. Avery's examples go on and on, although he adds this warning in another report: "The margins for error in the food supplies of less-developed regions and nations are still relatively thin, and few countries have held reserves. Food supplies in particular areas continue to be vulnerable to weather and other unexpected problems."

The Washington Post.

Alienating The Future In Pretoria

By Anthony Lewis

BOSTON — The U.S. ambassador to South Africa, Herman W. Nickel, has taken issue with a statement of mine in a recent column. I wrote that many black South Africans, offended by Reagan administration policies toward their country, now refuse even to attend embassy functions. Mr. Nickel says that his embassy hosts more black community leaders than any other diplomatic mission. *(Mr. Lewis's column appeared on this page on Dec. 6. Mr. Nickel responded in a letter published on this page on Dec. 18.)*

If this were a small factual dispute, it would not be worth exploring further. But it is more than that. America's future place in southern Africa is at stake. And so I return to the subject to say that I greatly understated the estrangement of the black community from Mr. Nickel's embassy and from the United States.

President Reagan's assistant secretary of state for African affairs, Chester Crocker, made "constructive engagement" the U.S. policy in South Africa. It has turned out to mean engagement almost exclusively with the government and other whites.

Mr. Crocker goes to South Africa several times a year. The Senate Foreign Relations Committee asked him in 1984 what black Africans he had met on those trips. In December 1984 he sent the committee a list of those he had met during the three previous years: 11 names. And some of those black South Africans he had encountered in the United States.

Mr. Nickel, for his part, has told people that he is accredited to the white government and must focus his efforts there. And according to many reports his tenure has seen a dramatic change in the character of embassy functions. One of the best-informed observers of the South African scene put it as follows:

"In the 1960s, the United States and Britain at about the same time broke the color bar at embassy functions. There were great multiracial gatherings: Every black person who was anybody turned up. That continued through the 1970s at the American Embassy. It had the most interesting gatherings in town.

"It dried up very rapidly from the time Nickel arrived. One saw a handful of the sort of blacks who cooperate with the government. And the embassy people on the whole don't go to the black townships. There's no contact, no communication."

The neglect of human contacts has accompanied policies that most politically minded blacks in South Africa detest. What Mr. Crocker and Mr. Nickel see as attempts to persuade Pretoria look to blacks like all carrot and no stick: Gestures that give the government the legitimacy it craves.

Blacks were especially angry when the Reagan administration welcomed the constitutional "reform" that continued to deny Africans all political rights. Scorn for that "reform" started what by now are 15 months of protest. Blacks note that the U.S. engagement with Pretoria has not moderated Pretoria's harsh repression of protests or kept South Africa from repeatedly invading neighboring black-ruled countries.

Resentment of American policy has brought the leading black opposition groups to shun the U.S. Embassy. The United Democratic Front is by far the most important anti-apartheid movement still allowed to operate in South Africa. Its leaders have no relationship with Mr. Nickel or his senior aides. And they do not go to embassy functions.

Bishop Desmond Tutu has declined for the last year to go to the embassy or to meet American diplomats. I asked him why. He said it was "not anything personal" but "my small protest against [Reagan] administration policy."

Among younger black South Africans there is a depth of bitterness toward U.S. policy that expresses itself in emotional anti-Americanism. They increasingly refuse to be associated with anything touched by the U.S. government. I personally know of humane South African institutions that have feared to accept U.S. aid lest blacks turn away.

None of this is any secret, except perhaps to Mr. Nickel. Many Americans have encountered the bitterness. South Africans visiting the United States, black and white, speak of it. The phenomenon is obvious and extremely worrying. It menaces U.S. relations with a future nonracist South Africa — and menaces that South Africa's whole outlook.

The one role that the United States might have played in South Africa at this critical time was as a respected interlocutor between the parties. Its behavior toward South African blacks in the last five years has come close to discrediting it for that role.

The New York Times.

Other Opinion

The Iberian 2 Join the EC 10

A welcome is due to Spain and Portugal, who [on Wednesday] became the 11th and 12th members of the European Community, after almost eight years of often rancorous negotiation. They enter on terms that are not obviously generous and which could well breed disillusionment in the coming months — but that has been said of the other members who joined the original six. It is to the credit of the Spanish and Portuguese governments that they felt willing to pay a short-term economic price to underwrite their relatively new democratic credentials. It would be natural for Spain and Portugal to seek improvements in their membership terms wherever possible, following the examples of Britain and Greece. It would be tragic if this led to such a split that the community failed to seize the world economic role that could be within its grasp.

— The Daily Telegraph (London).

FROM OUR JAN. 3 PAGES, 75 AND 50 YEARS AGO

1911: Chinese Rebel Against Queues

SHANGHAI — There has been a movement among the more advanced Chinese in favor of the abolition of the queue, which, the Chinese recall, is a badge of servitude imposed upon them by the Manchus, who established the present dynasty in 1644. At different times there have been attempts on the part of the more national-spirited Southern Chinese to break with the custom, and recently the Tsi-Cheng Yuan, the Committee of the Empire formed to prepare the way for a parliament, memorialized the Throne to order all Chinese diplomatists abroad, officials, students, soldiers and sailors, to cut off their queues. The rejection by the Throne of this memorial was made known in Peking [on Dec. 30].

1936: Lippmann on Rewriting History

PARIS — "It has been said that not even omnipotence can alter the past," writes Walter Lippmann. "But since men do not possess certain knowledge of the past, they are forever rewriting their histories. For about 80 years the Marxian Socialists have been propounding their version of history ... which proves to their own satisfaction that the whole course of affairs leads inevitably to the triumph of socialism. The Italian Fascists have a most elaborate history of their own which proves that they should and that they will conquer Ethiopia. The Nazis also roll their own. Given time, their professors will prove that the universe was created and that mankind has labored to insure the triumph of Hitler."

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A 'Magic Formula' for Lasting Peace in the Mideast

By Hanna Seniora

JERUSALEM — The various warring parties in the Middle East — be they the Palestinians, the Israelis or the Arab states, including Syria — have clearly indicated their desire for a peaceful settlement as an alternative to more conflict.

But good intentions are not enough. Each party to the dispute has demands that are in direct conflict with the interests of the others.

To resolve the issues, it must be understood above all that the Palestinians are the victims of the present struggle. We have to be clear on this point, because Israel tries to suppress this fact. To some extent it has even succeeded internationally in depicting the Palestinians as the culprits — the cause of the dispute and instability in the region.

Instead, Jewish aspirations and Zionist goals have been realized at the expense of the Palestinian people. A long-standing Jewish demand for a homeland found a solution, but the price was paid by the dispersion of the Palestinian people to all corners of the world. If this area is to regain any semblance of peace and stability, the fate of the Palestinian people must be dealt with in earnest.

Two national movements, Jewish and Palestinian, are vying for supremacy over one homeland. It should be apparent by now that complete control of one national movement over the other, with full domination by one people over that homeland, is not a viable solution. It cannot be permanent; it will not bring peace. Instead it will be the cause of future conflict and will keep the area in turmoil — ready to explode at a moment's notice.

In both camps there are people who understand this. But the many years of struggle and the open suspicions of the two adversaries remain as the real obstacles to peace.

Pragmatists on both sides realize that eventually Palestinians and Jews have to accept each other — in mutual, simultaneous recognition. Time is not on the side of those in both camps who seek peace. The attacks last Friday at the Rome and Vienna airports indicate just how volatile the situation is. Preserving the status quo will only make things worse and more complicated, and the atmosphere of despair will fan extremism for which the whole Middle East will pay a brutal and tragic price.

The magic formula is in mutual concessions, or land for peace: Exchange of land occupied by the Israelis in the 1967 war for Palestinian recognition of the state of Israel. Many Israelis would prefer to keep the land and seek peace through different avenues. That would only cause the present situation to further deteriorate; it would be a formula to keep the area at the brink of war.

> ***Land occupied in the 1967 war could be traded for Palestinian recognition of Israel.***

Preparations must be made to narrow the gap in order to reach a breakthrough. The Reagan administration is exploring Palestinian reaction to three conditions that could prepare the stage for the peace talks: acceptance of United Nations resolutions 242 and 338, which would imply open recognition of Israel; a stand on terrorism; and direct talks between the Arab side and the Israelis.

The Palestinians, in turn, have not been sitting idle.

The Amman accord of last Feb. 11 paved the way for the present peace initiative and for fresh political developments in the long-festering Israeli-Palestinian dispute. It presented a proper mechanism to implement peace in the area. And it also provided, through the joint Jordanian-Palestinian delegations, the Arab party that can conduct these negotiations.

The areas of differences that still exist can be bridged. The Palestinian people can meet the American demands — conditions that have been formalized with the Israelis. But the Palestinians in return have their own counterdemands:

- In the case of resolutions 242 and 338, the stand of the Palestine Liberation Organization is to accept all UN resolutions. Explicit recognition of 242 and 338 is possible in return for a U.S. statement recognizing the right of the Palestinian people to self-determination.
- On terrorism, the PLO has condemned acts such as the attacks on the airports at Rome and Vienna. In fact it has prohibited all acts of violence outside the disputed area (Palestine), and inside this area it has recognized a difference between violence against innocent civilians, which it condemns, and the armed struggle against military targets. Even the armed struggle can be played down if the extended olive branch could be considered seriously — if we can start the peace process.
- In his UN address last fall, King Hussein of Jordan proposed an international conference as a way for meeting the precondition for direct talks. The United States and Israel, with some reservations, have indicated that such a forum could be the venue for these negotiations.

If those conditions are to be met soon by the parties to the conflict, the days of preparations will be over and this region will have the chance to open a new era — the start of the peace process, the start of earnest negotiations. If we can reach that stage, I am optimistic that the momentum of the talks, along with the internal pressure of the Palestinians and the Israelis on their leaders, would drive both sides to find a solution. It might not be perfect, but it would be a solution negotiated by the representatives of both peoples.

The writer, editor of the East Jerusalem newspaper Al Fajr, contributed this to the Los Angeles Times.

LETTERS TO THE EDITOR

Poland Is Different

As a journalist who has spent more than 16 years covering events in Communist countries including Poland, I cannot let pass unchallenged Norman Davies's opinion column, "The Cost of Jaruzelski's Empty Victory May Be High" *(Dec. 20)*.

Mr. Davies reasons wrongly, on the basis of inappropriate comparison with Janos Kadar's Hungary and Gustav Husak's Czechoslovakia, that Mikhail Gorbachev will have to replace General Wojciech Jaruzelski because he has failed in four years to clean up the economic and political mess his predecessors created over the previous three decades.

Worse, Mr. Davies is being naive if he believes that an "enlightened" Mr. Gorbachev could opt "to grant the Poles what Solidarity demanded," namely, what the Kremlin is not prepared to allow its own people — freedom to challenge the Communist Party's monopoly of power.

Soviet-bloc crisis management may have evolved since the 1968 Warsaw Pact invasion of Czechoslovakia and the post-1956 executions in Hungary — but the basic tenets have remained unchanged.

RONALD FARQUHAR.
Geneva.

Mixed Images of Britain

I am British but I have been living in France for more than 20 years, and it is with a curious mixture of emotion and objectivity that I view the scene when I go home. Flora Lewis's opinion column *("Real Englishmen Come in Clashing Colors," Nov. 9)* touched on one of the cords that is tightening the social environment in Britain today. I was there recently and was assailed, as it were, by a myriad of conflicting, and frightening, impressions.

London and the southern counties present an extraordinary sense of well-being and prosperity. Nowhere have I seen as many Rolls-Royces as on the London streets. And it is an English show, Andrew Lloyd Weber's "Starlight Express," that has best captured, in youthful talent and enthusiasm, a message of hope for the future. Hope for the future?

One could forget, for a moment, the terrible backdrop of unemployment, hooliganism and racial violence. One could forget the desperate living image of society's failure.

Is what is happening in Britain an indication of what is to come in other European countries? Or will Britain fall, or rise, alone?

DENISE LARKING COSTE.
Neuilly-sur-Seine, France.

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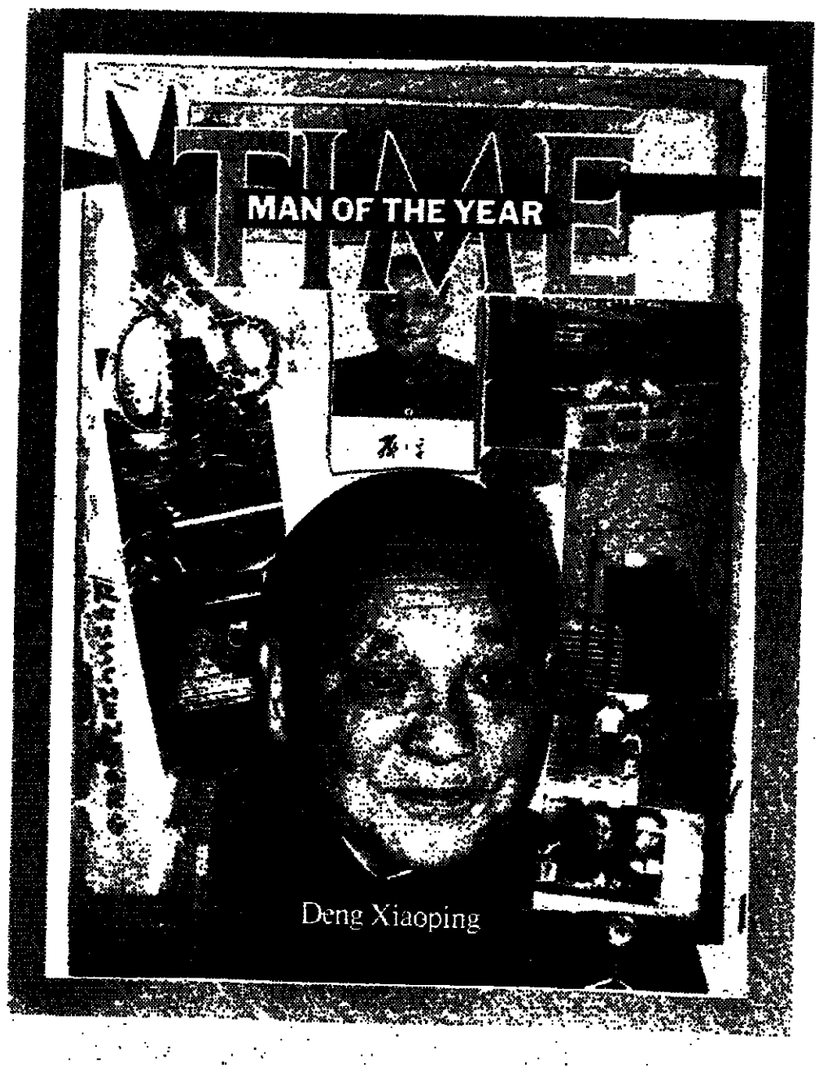

1985 was a year for spectacular headlines. A number of people made global waves, including Mikhail Gorbachev, the new Soviet leader whose charm and vigor are a departure from the stoniness of his predecessors; Nelson Mandela, the imprisoned South African activist who symbolizes the rage of his country's blacks; the Terrorist, sinister perpetrator of violence in the name of politics; and Bob Geldof, the Irish rocker who raised more than $80 million for Africa.

Yet often what matters most in the tide of human events is not most visible. In TIME's view, one person showed the greatest potential for permanently altering the course of history: the leader of one billion Chinese, a man whose reforms are redefining Communism. That is why, for the second time in eight years, Deng Xiaoping has been named Man of the Year.

Deng dares to mix Capitalist ideas with Marxist ones. After assuming power in 1976, he began the Herculean task of reforming China's countryside and freeing peasants to grow what they want for profit.

In 1985, Deng showed fresh determination to push his reforms to their conclusion, now focusing on cities and industries. If his plan succeeds, it will pull China out from its crushing poverty. Communist and Third World nations will see an alternative to Soviet-style Marxism. Foes such as Taiwan and South Korea could become major trade partners.

Perhaps Deng is trying to mate two ideologies that are inherently incompatible. But maybe, just maybe, the leader of the world's oldest and most populous nation has discovered a new path that will literally change the world.

It is exactly this type of penetrating insight, this ability to see the larger picture that attracts more than 32 million men and women around the world to the Man of the Year story and every issue of TIME, all year long.

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Herald INTERNATIONAL Tribune
WEEKEND
JANUARY 3, 1986

Re-animating Walt Disney's World

by Aljean Harmetz

IT IS 5 A.M. at Disneyland, five hours into the 24-hour celebration of the amusement park's 30th birthday. In the tepid dawn, half-empty boats sail the seas of Pirates of the Caribbean. The children — who should have been in bed — are asleep on the benches of New Orleans Square and on the front porches of Main Street. For one brief moment between darkness and daylight, it is too early or too late to eat, to buy, to ride. And the magic is peeling off the Magic Kingdom.

But not for Michael D. Eisner, 43, the prince who must awaken Sleeping Beauty. The chairman and chief executive officer of Walt Disney Productions arrived soon after the birthday celebrations began at midnight and has already appeared on two television programs.

When he was elected Disney's chairman in September 1984, he said that being asked to run the company was equivalent to being asked to spend his time in F. A. O. Schwarz, the famous toy store. "I don't know which toy to take home because they're all fabulous and they all work and I'm so excited I can't sleep at night." His most recent excitement comes from a billion-dollar deal made this month with the French government for a Disney theme park outside of Paris, which is scheduled to open in 1990 or 1991.

One of a number of top studio executives who have changed jobs recently and are beginning to manage the film industry in a new way, Eisner has a particularly challenging assignment. He is taking on an American institution and trying to make it work under Hollywood's new rules of distribution, technology, markets and financing. What Eisner and his management team are doing to make Disney into a major modern studio provides a clear picture of how business is done in the Hollywood of the mid-1980s.

Eisner's first important movie at Disney, "Down and Out in Beverly Hills," starring Nick Nolte and Bette Midler and directed by Paul Mazursky, has been rated R. The "restricted" rating, Disney's first, foreshadows the changes in store. Although the picture won't be released until the end of January, and it will be 1988 before the company has the standard industry assembly line of 12 to 15 movies a year, Eisner has already managed to convince Hollywood that he is turning Disney into something it never was before, a major movie studio.

In October, Daily Variety, the industry trade paper, casually identified "the seven Hollywood majors" as Columbia, Disney, MGM/UA, Paramount, 20th Century-Fox, Universal and Warner Bros. One key problem for new managements is that they get only stale projects that have been turned down everywhere else. But writers, directors and producers are coming to Disney as soon as they have been rejected by Warner Bros. or Universal — and before they go to studios perceived as less stable or less well managed.

Between 1966, when Walt Disney died, and 1984, his company was essentially in suspended animation. Children brought up on television were growing too sophisticated for Disney. The real heirs to Walt Disney were creating "Star Wars" and "Raiders of the Lost Ark." To the teen-agers who paid to see "Star Wars" half a dozen times, Disney was for babies.

The studio's status as the only brand name in the movie industry was no help. Nobody goes to a Paramount movie because it is made by Paramount, but people do buy records and coloring books and movie tickets because of the Disney name. The problem is that other people refuse to see movies because of the Disney name.

Last year, Disney's board of directors acted. In choosing Eisner at the end of a six-month battle against corporate raiders, the board bought — for $750,000 a year plus a $750,000 signing bonus, options on 510,000 Disney shares, and a performance bonus that will amount to nearly $1 million in 1985 — one of the three or four most credible executives in the movie industry. For eight years before he came to Disney, Eisner was president of Paramount, the bottom half of the Barry Diller-Michael Eisner team at that studio. Their extraordinary seven-year run of box-office successes included "Saturday Night Fever," "Raiders of the Lost Ark," "Flashdance" and "Beverly Hills Cop."

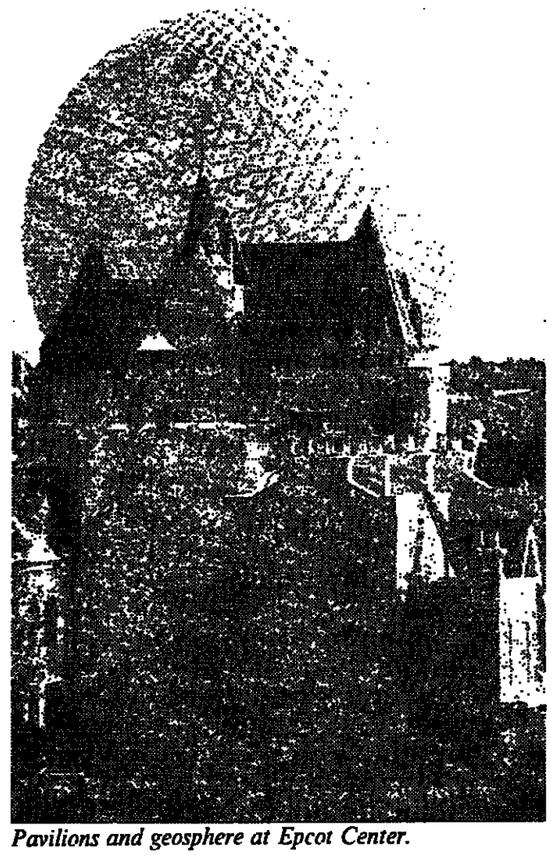
Reuters
Michael Eisner (right) with French Prime Minister Laurent Fabius.

THE Eisner management team reshaping Disney is headed by Frank G. Wells as president and chief operating officer. Wells is a Stanford Law School graduate, Rhodes scholar and a former president of Warner Bros. Wells describes himself as "business- and administration-oriented," and he runs Disney's theme parks and real estate.

The third man, Jeffrey Katzenberg, the indefatigable chairman of Disney's movie and television division, came to the studio from Paramount where he was Eisner's head of production. Nicknamed the Golden Retriever, Katzenberg knows about every new script in town almost before it is photocopied and every deal that falls through an instant before it collapses.

Because of his track record, Eisner's presence at Disney indicates that hit movies are still important. But Eisner's first executive actions demonstrate that the days are long gone when a movie studio lived or died by how its films performed in theaters.

Eisner has pushed Disney into video in a dramatic way by putting on cassettes the classic animated film, "Pinocchio." The net revenue to Disney so far is $11 million. No more cassettes of "Pinocchio" will be sold after January, in the hope that the more than 400,000 copies that have been bought will be damaged or overtaken by new technology before "Pinocchio" is re-released in theaters six years from now. Eisner has also pushed Disney's animation division full speed ahead. Eisner inherited one animated feature project, "Basil of Baker Street," which will be released next summer, but to cash in on the explosion of videocassettes for children, he will be releasing a new animated feature film every 18 months instead of the every four years that had been customary. The pay-cable Disney Channel, a greedy consumer of the studio's old movies and television programs, is operating in the black, six months ahead of schedule.


Pavilions and geosphere at Epcot Center.

Major studios are able to weather bad years at the theatrical box office because of the money earned by their television production and syndication divisions. Mirroring this, Eisner's first thrust was in television rather than movies. He considered a successful television series more important than a hit movie because the program could make as much as $200 million for the studio in five years after being syndicated — sold to local television stations. And Eisner hit the jackpot. His first prime-time series, "The Golden Girls," is the undisputed success among this fall's new shows. Entering an arena that Disney had never tried before, Eisner sold two Saturday-morning animated cartoons. In February, the "Disney Sunday Movie" will debut at 7 P.M. on ABC. The series, 10 two-hour and 13 one-hour made-for-television movies, is intended for children and their parents. Katzenberg says they will be non-saccharine, contemporary pictures and not the familiar Disney nature films.

Since 1977 and "Star Wars," merchandising characters from movies has become a big business. But the Disney characters seem hopelessly old-fashioned compared to R2D2, E.T. and Indiana Jones. So Disney will use its Saturday morning programs to launch new characters, and the old Disney characters are being upgraded by being imprinted on expensive, high-fashion sportswear. At the theme parks, 1986 will be the year of Minnie Mouse. A little-used character

Continued on page 9

How Winnie the Pooh Soothes Writer's Cramp

MARY BLUME

LONDON — In these days of state aid, bureaucratically administered and painfully obtained, there is an English group that for nearly 200 years has discreetly helped out writers in their hours, or years, of need. "Our purposes," says Arthur Crook, president of the Royal Literary Fund, "is to alleviate hardship."

The point of the fund is not to give someone a grant for a year off to write a novel; other funds do that. "We are a relieving charity for authors who have fallen on very bad times," Crook says.

The fund helped Coleridge in 1796 and the exiled Chateaubriand in 1799. Thomas Love Peacock and James Boswell's daughter were tided over; Henry James wrote to the fund on behalf of Mrs. Charles Dickens (Dickens had sat on the fund's committee). James Joyce, who listed his occupation as schoolteacher and his income as none, Joseph Conrad, D. H. Lawrence, Ouida, Dylan Thomas and Jean Rhys were also beneficiaries.

Privacy is guaranteed. "The whole operation is carried out in as friendly a way as possible," writes Janet Smith, Arthur Crook's predecessor as president.

"I can say so for I have been on both sides of the transaction," she adds. When her husband, the writer and anthologist Michael Roberts, died in 1948, a dependent's grant from the fund got her through resettling the family and finding a job. "It got me over the hump. And I was told that if in future I were in distress, I was to apply again on my own account as an author. Happily I didn't need to — but this assurance was as good for the morale as the grant itself."

As a former editor of The Times Literary Supplement, Arthur Crook has had close experience with needy writers. So have the authors and publishers on the fund's committee which meets monthly and which prudently includes as members a judge, a banker and an accountant.

Cases may include an aging and out-of-fashion author facing dwindling royalties and diminished output, a writer whose publisher has gone broke, pensioners facing the cold (heating grants were boosted during last year's fearful winter). The fund was founded in reaction to the death of a distinguished scholar in debtors' prison. While writers no longer face prison, there are many who are in need.

According to a survey made in 1981 by the Society of Authors, the average annual income of more than 100 British novelists sampled was £1,600 (about $3,200 at the time), which was less than one-third of the average national wage. Of 6,086 writers who signed up for the Public Lending Rights (a royalty based on the number of times books are borrowed from public libraries), more than half received less than £100 in 1984. The number of full-time authors in Britain has dropped by half in the last decade and by two-thirds since 1966.

The income of the Royal Literary Fund, £182,762 according to its 1984-85 annual report, is derived from donations, subscriptions (the queen gives an annual subscription), investments and royalties. The most important source of royalty income is Winnie the Pooh.

Pooh Properties Trust has assigned royalties from A. A. Milne's work, which brought in £81,000 in 1984-85. An equal or perhaps greater sum will soon be coming in from Somerset Maugham: These are copyrights Maugham left to Alan Searle with the proviso that they pass to the Royal Literary Fund on Searle's death. Searle died last August.

Another, relatively minor, source of income is from sales of the fund's archives, which are now available on microfilm and have been bought by several universities, including Yale. The microfilming has enabled the fund's small staff to discourage scholars' visits to their cramped offices off Fleet Street, which are decorated by a statue of the founder and two soapy busts of unidentified literary figures.

"If scholars write to us we can in fact refer them to the microfilm now," Arthur Crook says. The published archive, compiled by Nigel Cross, starts with the fund's incorporation in 1790 and ends, for reasons of confidentiality, in 1918 with case number 3,060. It includes letters from Thackeray and Trollope asking help for other writers. "You will find no mass of records superior in interest and importance to the archives of the Royal Literary Fund," Benjamin Disraeli said at the fund's annual dinner in 1853.

THE founder of the fund was a clergyman named David Williams, who put forward the idea of such a charity to a select dining club whose members included Benjamin Franklin and Josiah Wedgwood. It was agreed that the idea was of little interest and that the club should instead support Franklin's proposal for promoting "a new system of philosophic worship."

In 1787 the respected classicist Floyer Sydenham died while imprisoned for having neglected to pay a food bill and Williams quickly took out an advertisement to announce the opening of a fund in Sydenham's memory. Subscriptions trickled in and the Royal Literary Fund held its first meeting on May 18, 1790, in the Prince of Wales coffee house in Conduit Street.

If at the fund's beginning, the poet Chatterton dying in his garret embodied the struggling writer, by the mid-19th century writing had become a remunerative occupation for many: Applications for help subsided considerably between 1840 and 1880 and there was a movement, urgently opposed by Dickens, to turn the fund into a sort of writers' club.

The fund returned to its original aims and by 1962 had for the first time a president, Frank Swinnerton, who was a writer and not a benevolent peer. In 1964 Rose Macauley became the first woman to sit on the committee. Many of the writers whom the Royal Literary Fund has got over the hump make donations when they are back on their feet. Chateaubriand was among the first to do so.

Still, a number of writers do not make it back and these the fund takes care of for life. The advice given in his autobiography by Anthony Trollope, for many years the fund's treasurer, still holds. Speaking of his affection for the fund, he added, "The experience I have acquired by being active in its cause forbids me to advise any young man or woman to enter boldly on a literary career in search of bread." ■

Looking Back at the Inventive Lumières

by Glenn Myrent

PARIS — Ninety years ago, Auguste and Louis Lumière's father, Antoine, erected a wooden sign marked "Cinématographe" with an arrow pointing down to the basement of Paris's Grand Café, 14 Boulevard des Capucines.

The sign was not sufficient to attract an audience for the dress rehearsal on Saturday afternoon, Dec. 28, 1895, but fortunately, Antoine Lumière had invited 20 prominent Parisians.

Among them was George Méliès, the renowned magician and director of the Théâtre Robert Houdin. "We found ourselves in the presence of a small screen," Georges Sadoul's "Histoire Générale du Cinéma" quotes Méliès as saying, "and after several seconds, a still photograph showing the Place Bellecour in Lyon appeared on the screen. A bit surprised, I scarcely had the time to say to my neighbor: 'So, it's for projections they bothered us. I've been doing them for 10 years.'

"I had hardly finished my sentence when a horse-drawn cart moved toward us, followed by other vehicles and then pedestrians — in a word — street life! We stared flabbergasted at this sight, stupefied and surprised beyond all expression. At the end of the show there was complete chaos. Everyone wondered how such a result was obtained."

Méliès and other showmen immediately offered Antoine Lumière, a photographer and manufacturer of photographic products, a fortune in gold to buy the process. Legend has it that Lumière refused all offers and, according to Sadoul, told Méliès: "Young man, you'll thank me. My sons' invention is not for sale. It would ruin you. It can be exploited for a short while as a scientific curiosity. Beyond that, it has no commercial future."

The invention that the elder Lumière so disparaged was, of course, a precursor of the modern motion picture. And despite their father's misgivings, one must wonder if — with a name like Lumière, French for "light" — the Lumières were not predestined, with the help of their cameramen, to proselytize the cinema to the world.

Auguste and Louis Lumière were not the first to project images on a screen. However, their synthesis of previous work by Marey, Reynaud, Muybridge and Edison, to name a few, resulted in the most practical and ingenious of motion picture cameras.

But, 90 years ago, judging by the lack of customers for the show later that same day in the basement of the Grand Café, Antoine Lumière was right. Pedestrians were in ample supply, taking holiday strolls in the Opéra district. The converted billiard room known as the Salon Indien could hold 120 people, but that night only 35 passers-by braved a glance at the first public motion picture projection. Each customer paid a franc and watched enthralled as flickering black and white images revealed a group of workers leaving the Lumière factory in Lyon and Auguste Lumière feeding his baby daughter; and they laughed at the first film comedy, "L'Arroseur Arrosé" and gasped at the image of a train pulling into La Ciotat station fearing it would burst through the screen.

The receipts for the evening, 35 francs, were not even enough to pay for the room rental and the hired help, but word of mouth would change that the next day. No major daily newspaper covered the event. Yet a local gazette, Le Radical, exulted: "We have already recorded and reproduced spoken words. We can now record and play back life. We will be able to see our families again long after they are gone . . ."

Harlingue-Viollet
Louis (seated) and Auguste Lumière.

Within days, lines trailed down the Boulevard des Capucines. Antoine Lumière's prediction was quickly refuted as the Lumière Company raked in 2,500 francs a day by mid-January 1896. From 1895 to 1900, the Lumières earned three million francs, approximately $10 million today. Not bad for a simple "scientific curiosity."

AUGUSTE Lumière was born in 1862, Louis in 1864. They were close throughout their childhood in Lyon. During a vacation on the Brittany coast in 1877, they built a portable laboratory and darkroom and vowed that they would work together in the future. Auguste received a diploma in chemistry; Louis, at 16, earned top honors in math, drawing and chemistry.

By Louis's 18th birthday, Antoine Lumière's photography company was on the verge of bankruptcy. Louis and Auguste convinced their father to let them take over the business, and within a year they had righted the situation. Louis Lumière invented an instantaneous photograph known as "extra-rapides à Etiquette Bleue," which would remain on the market for 60 years and make the Lumières wealthy.

In fact, by 1890, the Lumière factories in Lyon were the largest manufacturers of photographic products in Europe, second only in the world to George Eastman in Rochester. Edison's Kinetoscope, devised for viewing film strips for the motion picture camera he invented in 1888, arrived in Paris in the summer of 1894. Louis and Auguste Lumière were amused by its projections in a single-viewer console of the sort that today's audiences associate with peep shows. But the Lumières were determined to capture motion and project it on a screen.

Both brothers suffered from terrible migraine attacks. It was supposedly during one painful sleepless night that Louis Lumière thought up a means of advancing film through the camera with a handcrank mechanism similar to the pedal on a sewing machine. He built a camera, took out a patent for it on Feb. 13, 1895, and, in March, filmed the workers leaving the Lumière factory. A few days later, Auguste and Louis Lumière presented their film to a group of scientists in Paris. During the year they prefected the camera and named it Cinématographe, from the Greek words: to write with movement. Jules Carpentier, an engineer, worked with them and eventually built the Cinématographe in quantity. A dozen were ready by January 1896, and Lumière began training cameramen to be sent round the world. Eugene Promio, Félix Mesguich and Francis Doublier were the first enlistments.

The Cinématographe, a deceptively simple box of wood and copper, weighed in at 10 pounds, making it a truly portable combination camera, contact printer and projector. By shooting in the morning, developing, drying and contact printing in the afternoon (by shining a light through the negative sandwiched with a reel of reversal stock, which was in turn developed and dried), cameramen could project the results that same evening, using the same 10-pound box from start to finish.

In late January 1896, Promio went to Venice and, by placing the Cinématographe on a gondola, made the world's first moving camera shot on the Grand Canal. Mesguich shot the Czar Nicholas II's coronation in Russia where, in certain towns, according to Sadoul, "the peasants had been told they were going to see apparitions of living people that we'd fabricated. They were not far from accusing us of sorcery and many were convinced they had seen the work of the devil. We escaped with our lives several times from zealous audience members."

Within two years, Lumière cameramen were sent to most corners of Europe, Africa, Asia and the United States. They landed in New York in May 1896. Edison had held his first public projection on a screen at Kostner and Bials Music Hall that April. However, Edison's "New Wonder," the Vitascope, was quickly outdistanced by the Lumière films at the Keith Music Hall. Edison's camera, the Kinetograph, weighed more than 1,100 pounds. It was impractical for shooting outside away from an electrical power source.

BY the time of McKinley's election in November 1896, there were 23 French cameramen in several American cities and 200 Cinématographes in use worldwide compared to 80 of the Vitascope projectors used by Edison. The Republican Party slogan — "America for Americans" — was adopted by the Biograph Company, Lumière's major rival, and a swing toward protectionism forced the Lumières out.

Louis Lumière dreamed up other inventions. A wraparound screen 20 feet high and 65 feet in diameter enveloped visitors to the 1900 World's Fair in Paris with Photorama views of European cities.

Louis and Auguste worked night and day to create a color process. By 1905, experimenting with potato flour and dyes, they had invented the Autochrome, a photograph broken into little colored dots like a Seurat painting. By 1914, the Lumière factories were manufacturing 6,000 of them a day! There is an room devoted to these beautiful photos in the Lumière Institute in Lyon. They also built a Chromodiascope to project Autochrome glass slides. Lumière naturally saw the possibilities for color motion pictures, but the large grain and the lack of sufficiently sensitive film delayed a practical process until the early 1930s.

Louis Lumière patented a speaker for photographs and radios made from corrugated paper. During World War I, he invented an artificial jointed hand for disabled veterans as well as a catalytic gas heater which was installed in airplanes and many apartments. He devised a stereoscopic photo process in the 1920s that resembles today's holograms. In 1935, Lumière invented a stereoscopic 35mm movie camera and returned to La Ciotat to film another train coming into the station. Viewers had to wear glasses with one blue lens, the other green. Sound familiar? 3-D movies.

As for Auguste, he worked with Louis on the Autochromes. However, the study of biology took precedence in his life. As soon as X-rays were discovered, Auguste began similar experiments in Lyon, and was the first in France to use X-rays for medical research. Later he built his own pharmaceutical company, developed homeopathic remedies and invented a nonsticking bandage that is still sold today.

Antoine lived until 1911, and until the end scolded his sons for naming their invention the Cinématographe. He found the term intimidating and prefered the sound of "domitor." It's just as well they didn't listen to their father or we might be going to the domitor these days instead of to the cinema. Louis Lumière died in 1948, a few years short of seeing a 3-D process similar to his own refined and commercialized in the United States. Auguste Lumière died in 1954 at the age of 92. ■

Glenn Myrent is a tour guide-lecturer at the Cinématheque Française in Paris. He wrote this for The New York Times.

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TRAVEL

Bringing the Cuisine of France's Southwest to Paris, Lightly

PARIS — Some months back, when Jean-Claude de Lajarrige went out in search of a chef whose vision matched his own, the restaurateur traveled about France, dining, chatting, letting out word that there was an opening for an ambitious chef in Paris.

After a few months he found Philippe Feret, cooking in a little town in the southwest. Not yet 26 years old, the chef was out on his own after a stint in the kitchen at Taillevent.

The trip appears to have been successful, for Lajarrige and Feret

PATRICIA WELLS

make a fine pair, tending to business at the new, modern and sparkling little restaurant Lajarrige, not far from the Rue de Lévis market and Parc Monceau in the 17th Arrondissement.

As at his former Left Bank restaurant, Sud Ouest, Lajarrige offers the cuisine of his native southwest. But those who automaticaly equate this cuisine with heavy, indigestible fare will be in for a pleasant surprise.

It has long been my view that when food is prepared carefully and with top quality ingredients, it won't leave the diner with that logy feeling, and such is the case with Feret's cuisine. Even his gigantic cassoulet — a rich marriage of duck *confit*, duck sausage and giant white beans — will allow you to walk out feeling like a featherweight, as long as you listen to your body when the tilt sign flashes on.

There are many things to admire about this compact, 12-table restaurant. The restaurateur comfortably plays the role of gentle bistro proprietor, while Feret could win one over on earnestness alone. His presentations are visually exciting, without the nouvelle-cuisine-inspired frou-frou. The rest of the smiling, well-groomed staff appears both good-humored and serious.

And bravo for this little place that boasts a real sommelier, albeit a wine steward who doubles as waiter; but at least there is someone to pay attention to your wine needs, offer guidance, and share in the joy of your discoveries.

The menu offers a wealth of appealing fare, including no less than seven foie gras preparations (guaranteed of French origin), inventive salads, and a lively, ever-changing list of seasonal specialties.

Until the end of game season, somewhere around the first of February, Lajarrige offers an abundant assortment of game, dishes that change from day to day, depending upon availability and the cook's whims. Try the formidable *tournedos de biche grand veneur* when it's on the list. The filet of female deer more closely resembles a small roast, and the tender, full-flavored game is cooked to rare perfection, accompanied by a fine and classic brown sauce.

Earlier in the season, Feret offered a stunning *rable de lièvre* topped by a garlic purée: The gutsy flavor of the wild hare was an even match for the bold garlic, which had been degermed, cooked in goose fat, then blended to a fine purée.

Other game offerings might include a game paté, a *terrine de biche* with hazelnuts and pistachios, and grouse, served with juniper berries and red wine sauce.

One could hardly do better than to start the meal with a *salade aux deux fumés*: Thin, tender and moist slices of smoked goose breast are combined with ribbons of smoked salmon, while strips of foie gras are set on a bed of colorful *radicchio*, dressed with walnut oil. This is one of those made-in-heaven marriages that must be consumed by carefully constructing a layer of each ingredient on your fork, downing the combination in a single mouthful. The textures and flavors explode quietly but powerfully on the palate. Only the dollop of tomato purée set alongside seemed strangely out of place.

Another quality dish with quiet appeal is the *salade de coquille Saint-Jacques sur légumes tièdes*. This is one of those dishes, like marinated raw salmon, that has become a sorry cliché, and when it's prepared with less than perfect ingredients, it's bound to fail.

But Feret's scallops were smooth, light and almost as sweet as tiny American bay scallops. Served on a bed of farm vegetables and covered with a light, buttery sauce, the scallops could serve equally as a main luncheon dish.

Duck foie gras offerings include four versions served at room temperature and three warm selections. Try the imaginative scallops of pan-fried foie gras served with a smooth, puckery rhubarb sauce. The combination is an excellent one, for the bright fruit flavor of the rhubarb is a fine foil for the rich, warm duck liver.

THE restaurateur is well aware of the potential dangers to self-indulgent diners who meet face to face with cassoulet and decide they must work their way to the bottom of the bowl. So he sets out a warning on the menu: "This dish is meant to be eaten by those with a huge appetite. It can constitute an entire meal."

"It deters no one," says Lajarrige. "They go ahead and order a first course anyway."

This is serious cassoulet, not some frilly modern version. And once you've recovered from the shock of seeing this classic country dish arrive in an oversized soup bowl, you are ready to dig in.

Anyone who has ever prepared cassoulet knows the complications of getting the beans just right. They're inevitably too dry, too soggy, a bit too crunchy, or cooked to just the other side of mush. The version we sampled was just right: The giant, oversized white beans still had a nice crunch about them, and they had magically absorbed all the flavor of the accompanying meats. The duck *confit* was tender and mellow, but best of all was the assorted, full-flavored sausages, generously seasoned and void of fat.

Another main dish — *magret de canard*, guaranteed to come from the breast of force-fed ducks — was somewhat less successful. Portions were overly tough and a bit dry, perhaps because the meat had been cut and let to stand too long before serving. But the accompanying celery-root gratin was so delicious it almost made one forget the dry duck.

For a young restaurant, the wine list is quite extensive and not overly ruinous to the pocketbook. Two wines suggested by the sommelier within recent weeks were sure winners. A 1981 Saint-Emilion, Château Dassault (223 francs), was a fine match for the game dishes, while a 1976 Cahors, Clos Triguedina (186 francs), was a pleasing discovery. The Cahors was smooth, rich and velvety, with vanilla-scented overtones, and was a perfect accompaniment to the cassoulet. The excellent bread from the neighborhood baker Marcel Pain, whose boutique at 11 Rue Gustave-Flaubert should not be missed.

Desserts hold up their end of the show, and the stars include a flavorful rhubarb charlotte and rich *nougat glacé*. The pastis, or strudel-like tart filled with apples and Armagnac was pleasant enough, but dry. A dollop of perfect prune or vanilla ice cream would be a fine addition.

Although the restaurant accepts credit cards, customers paying in cash or by check get a 5 percent reduction on their bill.

Lajarrige, 16 Avenue de Villiers, Paris 17; tel: 47.63.25.61. Closed Saturday lunch and Sunday. Five-course menu at 170 francs (lunch only), not including wine or service. A la carte, from 250 to 350 francs a person, including wine and service. Credit cards: American Express, Visa.

Foie Gras and a Furor in Périgord

by Judith Miller

BRIVE LA GAILLARDE, France — The valleys of Périgord, a region long synonymous with culinary splendor, are usually a portrait in tranquillity, the rolling hills dotted by vineyards and some 1,800 chateaus.

Recently, however, the region was far from serene as producers and canners of foie gras, the goose and duck liver that is an economic mainstay of the region, engaged in a fierce battle with the French government.

The furor was sparked by a regulation promulgated by Henri Emmanuelli, secretary of state for the Ministry of Economy, Finance and Budget.

In October, the ministry began conducting a safety and freshness test of samples of the more than a thousand tons of goose and duck liver that are imported annually from Hungary, Israel, Spain and Italy by French canners, who transform them into terrines and tins of foie gras and innumerable liver-related products — pâtés, sandwich spreads, sauces, sausages and the like.

"The new regulation was a catastrophe, a threat to our survival," asserted André Bizac, president of the National Association of Foie Gras Makers and director of Bizac, a family-owned enterprise that has been making foie gras and related products for five generations since 1825.

Normally, he explained, the government's veterinary service tested foie gras imports as they arrived. Samples were opened and tested to insure that they were, as France requires, "healthy, loyal and marketable."

This year, however, Emmanuelli required that the imports also be tested under customs supervision at a government laboratory in Bordeaux. What followed is a matter of dispute.

Bizac complained that the testing procedure added eight days to the licensing, and that "the merchandise was absolutely unusable with such a delay."

He accused Emmanuelli, who is also the president of the council of Les Landes, a neighboring region and also a center of duck foie gras production, of imposing the second inspection to please producers in his home area. "Lowering imports would boost sales in Les Landes of duck foie gras, said Bizac, an elegantly attired, silver-haired executive whose quiet demeanor only barely masked lingering anger over the episode.

The response of canners and workers whose jobs were threatened was, Bizac said, "vigorous." Some of the 150 workers at his plant and at another of the city's largest canneries occupied the customs department's offices and locked two customs officials in Brive's pint-sized airport building.

"It was their idea, a very peaceful protest in which no one was injured and nothing broken," said Arnaud Bizac, the owner's son. The strategy worked, he said, and the regulation was withdrawn.

Government officials adamantly denied Bizac's version of the dispute. The spot check was not new, they said, and only 20 percent of the shipment was delayed. No foie gras was held for more than three days, they said, and after the protests began the government accelerated the process to reduce the delay to only 24 hours.

A ministry spokesman characterized as "sheer polemic" Bizac's contention that Emmanuelli was seeking to help producers of foie gras in Les Landes.

The dispute was notable since anything that affects the financial health of the foie gras industry is serious business in Périgord, which has more than 200 canners and where unemployment has long exceeded the current 10.5-percent national average.

It was unusual, too; normally it is foreign producers who attempt to keep French foie gras out of their countries, not the reverse.

Foie gras products generate large amounts of foreign currency for France, although the French themselves consume about 80 percent of the country's 3,000-ton annual production. The largest export market for Bizac and most other producers is Japan, followed by France's European Community neighbors.

"We export about as much to the United States as we do to Switzerland," Bizac said. Producers such as Bizac says that many Americans lack the sophisticated palate needed to appreciate foie gras. "They simply don't appreciate the nobility of it," said a waiter at the Truffe Noir Hotel in Brive, whose specialties predictably include foie gras and truffles.

U. S. import restrictions also play a role. American producers have lobbied against French foie gras imports on the ground that the livers are not pasteurized and that French birds are force-fed, a practice that swells the liver to six times its normal size and creates a very unhappy bird in the process.

André Bizac, right, and his son Arnaud, with birds. Judith Miller, The New York Times

"The birds don't really suffer except during the last day or two," said Antoine Moussette, a former Parisian who abandoned city life for Périgord four years ago to enter the foie gras business.

Moussette, one of a new breed of foie gras producers who describe their approach as "natural" because they do not include chemical supplements in their birds' diets, has a very small business. With four geese and 400 ducks, he and his wife, Frédérique, just make ends meet on their farm in the hills 25 miles from Périgueux, where they live with their 8-month-old son.

Three times a day for about 20 days, Moussette gathers his birds, and one by one shoves a foot-long metal siphon down their throats into their stomachs. Into this he pours corn feed. After the birds are slaughtered on a makeshift guillotine outside his barn, they are eviscerated and the livers stored overnight. The livers are then boiled and canned for sale to private customers and grocery stores in Paris.

The foie gras season reaches its peak at the end of the year. The French consume almost one-third of all the annual foie gras production during the year-end holiday season.

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TRAVEL

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INTERNATIONAL DATEBOOK

AUSTRIA

VIENNA, Konzerthaus (tel: 72.12.11).
CONCERTS — Jan. 11: "Wiener Kammerorchester," Herbert Prikopa, conductor, Ola Rudner violin (Vivaldi).
●Musikverein (tel: 65.81.90).
CONCERTS — Jan. 6: Czechoslovak Philharmonic, Günter Lehmann conductor.
RECITALS — Jan. 9: "Liederabend," Jose van Dam soloist, Claude van den Cyden piano (Schumann, Poulenc, Ibert).
●Staatsoper (tel: 53.24.45).
Jan. 6: "Die Fledermaus" (Strauss).
Jan. 4: "Der Rosenkavalier" (Strauss).
Jan. 5, 8, 12: "Macbeth" (Verdi).
BALLET — Jan. 10, : "Letzte Lieder." "Josephs Legende" (R. Strauss).
●20th Century Museum (tel: 78.25.50).
EXHIBITION — To Jan. 26: "Kandinsky in Paris".
●Volksoper (tel: 53240).
OPERA — Jan. 7: "Hansel und Gretel" (Humperdinck).
Jan. 4: "La Bohème" (Puccini).

BELGIUM

BRUSSELS, Cirque Royal, (tel: 218.20.15).
OPERA — To Jan. 5: "La Chauve-Souris" (Béjart/Strauss).
●Theatre Royal de la Monnaie (217.22.11).
RECITAL — Jan. 9: Margaret Price soprano, Geoffrey Parsons piano (Beethoven, Brahms, Strauss, Mahler).
●Palais des Beaux-Arts (tel: 512.50.45).
CONCERTS — "Festival Mozart" — Jan. 9: Orchestra National de Belgique, Mendi Rodan, conductor, Sheila Armstrong soprano, Haether Harper soprano, John Mitchinson tenor, John Shirley Quick bass (Mozart).

ENGLAND

LONDON, Barbican Centre (tel: 638.41.41).
CONCERTS — London Symphony Orchestra — Jan. 4 : London Symphony Orchestra, James Paul conductor, Augustin Dumay violin.
Jan. 5: Royal Philharmonic Orchestra, Paul Freeman conductor, Einar Henning Smeybe piano (Rossini, Handel, Grieg).
EXHIBITION — Festival of Traditional Japanese Culture — To Jan. 26: "Toki: Tradition in Japan Today." "Nihonga" (Japanese painting). "Tokyo Lifestyle" (photographs).
To Feb. 26: "The Japanese Garden: Its Beauties and Traditions."
To Jan. 26: "Matthew Smith."
THEATER — Royal Shakespeare Company — Jan. 6, 7, 8, 9: "Othello" (Shakespeare).
Jan. 10: "As You Like It" (Shakespeare).
Jan. 4, 6-9: "Les Liasons Dangereuses" (Hampton).
Jan. 10: "Melons" (Pomerance).
●Hayward Gallery (tel: 928.57.08).
EXHIBITIONS — To Feb. 23: "Homage to Barcelona."
To Feb. 16: "Torres-Garcia: Grid-Pattern-Sign."
●London Coliseum (tel: 836.01.11).
OPERA — English National Opera — Jan. 8: "Don Giovanni" (Mozart).
Jan. 9: "The Mastersingers of Nuremberg" (Wagner).
●National Theatre (tel: 633.08.80).
THEATER — Jan. 4: "The Road to Mecca" (Fugard).
Jan. 4, 5: "The Duchess of Malfi" (Webster).
Jan. 10: "The Real Inspector Hound" (Stoppard) & "The Critic" (Sheridan).
Jan. 9, 10: "Mrs. Warren's Profession" (Shaw).
●Tate Gallery (tel: 821.13.13).
EXHIBITIONS — To Jan. 5: "Kurt Schwitters."
●Victoria and Albert Museum (tel: 589.63.71).
EXHIBITIONS — To Feb. 2: "Beatrix Potter: The V&A Collection."
To Jan. 26: "Hats from India."
To May 25: "British Watercolours."
STRATFORD-upon-AVON, Royal Shakespeare Theatre (tel: 628.8795).
Jan. 4, 7-9, 11: "Nicholas Nickleby" (Dickens).

FRANCE

NICE, Acropolis (tel: 87.07.07).
EXHIBITION — To Jan. 13: "Raoul Dufy."
PARIS, Centre Georges Pompidou (tel: 42.77.12.33).
●Hotel Méridien (tel: 758.12.30).
JAZZ — To Jan. 18: Joe Newman.
●Maison de Victor Hugo (tel: 42.72.16.65).
EXHIBITION — To Jan. 31: "Victor Hugo's Drawings."
●Musée d'Art Moderne (tel: 47.23.61.27).
EXHIBITIONS — To Jan. 12: "Vera Szekely," "Modern Masters from the Thyssen-Bornemisza Collection."
●Musée du Grand Palais (tel: 42.61.54.10).
To Feb. 3: "Anciens et Nouveau": Works Aquired by the State 1981-85.
To Jan. 6: "La Gloire de Victor Hugo."
●Musée du Louvre (tel: 42.60.39.26).
EXHIBITION — To Jan. 6: "Le Brun á Versailles."
●Musée du Petit Palais (tel: 42.65.12.73).
EXHIBITION — To Jan.5: "Soleil D'Encre," Victor Hugo's manuscripts and drawings.
●Musée du Prieuré (tel. 39.73.77.87).
To Mar. 2: "Le Chemin de Gauguin."
●Musée Nationale des Arts et Traditions Populaires (tel.: 47.47.69.80).
EXHIBITION — To April 21: "Les Français et la Table."
●Opera (tel: 47.42.57.50).
OPERA — From Jan. 20: "La Traviata."
●Théâtre Musical de Paris (tel: 42.61.19.83).
JAZZ MUSICAL — To Jan. 25: "Black and Blue" (Segovia/Orezzoli).
●Tour Montparnasse (tel: 42.72.93.41).
EXHIBITION — To Jan. 5: "Four Centuries of Ballet in Paris."

GERMANY

BERLIN,
●Deutsche Oper (tel: 341.44.49).
OPERA — Jan. 7, 10: "Cosi fan tutte" (Mozart).
Jan. 9: "Aida" (Verdi).
●Nationalgalerie: (tel: 2.66.6).
EXHIBITION — To Jan. 12: "Art in West Germany, 1945-85."
●Philharmonie (tel: 25488-0).
CONCERTS — Berlin Philharmonic Orchestra — Jan. 4, 5: Colin Davis conductor (Stravinsky, Tippett).
Jan. 7, 8: Christoph von Dohnanyi conductor, Mitsuko Uchida soloist (Mozart, Schubert).
Jan. 10, 11: Christoph von Dohnanyi conductor, Salvatore Accardo soloist (Ives, Berg, Dvorak).
COLOGNE, Oper der Stadt (tel: 21.25.81).
OPERA — Jan. 8, 11: "A Masked Ball" (Verdi).
Jan. 4: "Zar und Zimmermann" (Lortzing).
Jan. 10: "Elektra" (Strauss).
HAMBURG, Staatsoper (tel: 35.15.55).
BALLET — Jan. 4, 8: "Daphnis and Chloë" (Ravel).
OPERA — Jan. 5: "Die Meistersinger von Nürnberg" (Wagner).
MUSICAL COMEDY — Jan 7: "My Fair Lady" (Loewe).
MUNICH, National Theater (tel: 22.13.16).
BALLET — Jan. 4: "Romeo and Juliet" (Prokovfiev).
Jan. 9: "Le Papillion" (Offenbach).
OPERA — Jan 5: "Die Fledermaus" (Strauss).
Jan. 6 "Cavalleria Rusticana" (Mascagni).
Jan. 8: "The Marriage of Figaro" (Mozart).
STUTTGART, Staatstheater, (tel: 20320).
BALLET — Jan. 4, 5: "Wiederkehr," (Alleyne, Mendelssohn).
OPERA — Jan. 10: "Fidelio" (Beethoven).
OPERETTA — Jan. 4, 5: "The Merry Widow," (Léhar).

ITALY

FLORENCE, Teatro Comunale (tel: 277.92.36).
BALLET — Jan. 4, 5, 7: "Giselle" (Polyakov/Petipa, Adam).
MILAN, Padiglione d'Arte Contemporanea (tel: 78.46.88 0.
EXHIBITIONS — To Jan. 13: "Gina Pane: Partitions," "Richard Long - Salvatore Scarpitta."
●Teatro alla Scala (tel: 887.92.11).
BALLET — Jan. 7-12: "Balletto Imperiale" (Balanchine, Tchaikovski), "Les Vainquers" (Béjart, Wagner).
"Bolero" (Béjart, Ravel).
OPERA — Jan. 4, 5, 9, 11: "Madamé Butterfly" (Puccini).
RECITAL — Jan. 6: "Concerto di Canto" Margaret Price soprano, Geoffrey Parsons piano (Beethoven, Brahms, Strauss, Mahler).
ROME, Castel Sant'Angelo (tel: 65.50.36).
EXHIBITION — To Jan. 5: "Art and the Banks."
●Palazzo Braschi (tel: 65.58.80).
EXHIBITION — To Jan. 5: "Tiber-Seine: two cities, two rivers."
●Teatro dell'Opera (tel: 46.17.55).
OPERA — Jan. 5: "L'Elisir d'amore" (Donizetti).

SCOTLAND

EDINBURGH, National Gallery (tel: 556.89.21).
EXHIBITION — To Jan. 31: "Turner Watercolours."
To Jan. 5: "The Christmas Story."
●National Gallery of Modern Art (tel: 556.89.21).
EXHIBITIONS — To Jan. 5: "Béla Uitz. Prints 1920-1923."
From Jan. 11: "American Images."

THE NETHERLANDS

AMSTERDAM, Concertgebouw (tel: 71.83.45).
CONCERTS — Jan. 4: Concertgebouw Orchestra, Wolfgang Sawallisch conductor, (Martinu, Schubert).
Jan. 9: Concertgebouw Orchestra, Lucas Vis conductor, Yuri Bashmet, violin.
Jan. 10: Amsterdam Philharmonic Orchestra, Emmanuel Krivine, conductor, Stephen Bishop-Kovacetich, piano (Mozart).
Jan. 11: Netherlands Philharmonic Orchestra, Lev Markiz conductor.
RECITALS — Jan. 6: Noël Lee, piano (Debusssy).
Jan. 8: Walter van Hauwe, Wouter Möller, Glen Wilson Trio (Teleman, Bach).
●Rijksmuseum (tel: 63.21.21).
EXHIBITIONS — To Jan. 26: "The Age of Velasquez."
To Jan. 12: "Amsterdam Inside and Out."

SPAIN

MADRID, Centro Cultural Conde (tel: 329.19.16).
EXHIBITION — To Jan. 12: "Masterpieces from Portugal."

UNITED STATES

NEW YORK, Guggenheim Museum (tel: 360.35.00).
EXHIBITION — To Feb. 16: "Transformations in Sculpture: Four Decades of American and European Art."
●Metropolitan Museum of Art (tel: 535.77.10).
EXHIBITION — To Jan. 5: "India!"
●Museum of Modern Art (tel:708.94.00).
To Jan. 7: "Contrasts of Form: Geometric Abstract Art 1910-1980."
SAN FRANCISCO, Museum of Modern Art (tel: 863.88.00).
EXHIBITIONS — To Feb. 9: "Elmer Bischoff 1947-1985."
WASHINGTON D.C., National Gallery, (tel: 737.42.15).
To March 6: "The Treasure Houses of Britain."
●National Portrait Gallery (tel: 357.27.00).
EXHIBITIONS — To Feb. 8: "Women on Time."
To April 13: "Private Lives of Public Figures: The Nineteenth Century Family Print."

صكاً من الاصل

TRAVEL

FOR FUN AND PROFIT

All Is Not What It Seems In U. S. Air-Fare War

by Paul Grimes

NEW YORK — Perhaps the greatest fare war in U. S. aviation history is in progress on certain highly competitive routes. It can involve considerable annoyance for travelers, however, and substantial penalties for changing one's mind.

The major airlines flying between New York and southern Florida, for example, have announced that between Jan. 7 and Feb. 10 — usually a relatively slack time on that route — the one-way fare will be as low as $69 from Monday through Thursday and $99 on Fridays, Saturdays and Sundays. Competition could suddenly force rates even lower, as it did when People Express, Eastern Airlines and Delta Air Lines announced Dec. 3 that they would temporarily fly to Florida for as low as $49 a seat, and New York Air responded a day later by introducing a temporary $39 fare between Newark and Orlando or St. Petersburg-Tampa.

This may not be quite the bonanza it seems, however. To begin with, you may find it extremely difficult to get one of the competing airlines on the telephone, although their representatives say that staffs are augmented to deal with anticipated demand. When you do get through, you may find that only a "limited number" of seats — how many is usually a secret — were available at the rock-bottom price, and that they are already sold out.

A common suggestion is to let a travel agent arrange your flight. But a growing number of agents are balking at selling deeply discounted tickets to any but their regular clients because it consumes their time, commissions are low and it can take a lot of work to process refunds and rewrite tickets if fares drop even further before a ticket is used.

A check of three long-established Manhattan agencies produced similar comments. "If someone comes in off the street and asks for a New York-Miami ticket," said Harriett Emerson of Emerson Travel here, "we'll ask, 'Are you seeking a $49 or $69 fare?' If the answer is 'yes' then we say, one, 'We've been unable to get through to the airlines,' two, 'It's highly unlikely that any seats are available,' and three, 'I think it's a waste of our time and your time and we can't function in this instance.'"

"We would do anything for a regular client or for a referral or an obvious emergency," said Mary Russell, president of the Frederics-Helton Travel Service. "But for people walking in off the street, we simply don't do it. We refer them to an airline office. Ten percent commission on a $39 ticket is not very much."

"We don't deal with People Express except to London or the West Coast," said Eileen Hughes of Eileen Hughes Travel. "We simply say to people we can't afford to do it when it costs only $29 to fly to Cincinnati. However if they are old clients, we will ticket them, but they will have to make the reservations themselves."

Joseph H. Hallissey Jr., president of the Hallissey Travel Service in Dearborn, Michigan, and chairman of the American Society of Travel Agents, contends that downtown New York and Chicago are unusual because people there tend to shop around. He insisted that most American agencies welcome walk-ins regardless of fare wars.

No one, however, denies the right of a consumer to seek the best deal possible, and here are some points to be kept in mind:

- If you do not use a travel agent regularly and simply want an inexpensive flight, you may get better service from a large agency or one that is a member of a chain or consortium and, because of its heavy selling power, has clout with the major airlines.
- Watch out for fare reductions after you pay for your ticket but before you fly, because you may be entitled to a refund. Some travel agents and airline check-in clerks will offer a refund without your asking, but often the initiative rests with you.
- When you begin shopping among airlines (or asking your agent to shop) for the lowest fare on a particular route, be aware that different lines have different restrictions at different times. For example, in slashing its Jan. 7-Feb. 10 rates to Florida to $69 midweek and $99 on weekends, People Express, which uses only Newark Airport in the New York area, offered all seats on all its nonstops. Delta and Eastern, which use La Guardia and Kennedy as well as Newark, matched People only from Newark; from the other airports they said they would charge $10 more. Also, Delta and Eastern offered only a limited number of seats at those rates

Bonanzas exist, but many could play hard to get

while Pan American World Airways, which uses only La Guardia and Kennedy, offered all its Florida seats at $10 more than the People Express rates.

- Watch out for cancellation penalties. For example, if you hold a super-saver round-trip ticket that you bought at least 30 days before initial departure to save money, you may be subject to a 25 percent fee if you try to trade it in for a new ticket — even on the same flight — at a fare-war rate. Sometimes, however, if a fare war is intense, penalties are waived.

Sometimes fare wars offer bigger bargains than is initially evident. For travel from Jan. 7 to Feb. 28, for example, People Express has cut fares between New York and San Francisco. New York and Brussels and even San Francisco and Brussels (a route that it operates nonstop once a week — on Wednesdays — compared with daily on the others) to $99 each. This means that, if it isn't too late to get tickets or if you are prepared to risk going standby, you could fly from New York to San Francisco to Brussels to New York, with stopovers, for a total of $297.

Meanwhile, if you are headed for Florida you are likely to be caught up in another price war — this one among auto rental companies. Weekly rates advertised so far for January and early February are running $30 to $40 above the same rates of a year ago, but sometimes you can save by tying in car rental and air transportation.

For example, Hertz, which is advertising $99 a week for a subcompact (plus such substantial optional add-ons as collision damage protection and personal accident insurance), charges $10 less if you fly to Florida on any of a dozen airlines and show your boarding pass at the rental counter. Avis does not have such an arrangement for flights from the Northeast but charges $95 instead of the normal $99 a week if you reserve through a travel agent.

Dollar Rent A Car is offering the first day free (before add-ons) for renters who fly Pan Am and charges $9 for each additional day for a subcompact and $19 for an intermediate-size car. General Rent A Car offers anyone a one-step upgrade in January for whatever weekly rate is selected and Alamo offers People Express passengers a two-door subcompact at $10 a day and Delta passengers a four-door subcompact at $15 a day. ■

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At Home in a German Castle Hotel

by R. W. Apple Jr.

Patrick Piel, Gamma

The tree-lined approach to the Hotel Friedrichsruhe.

OHRINGEN, West Germany — Most of the good German spa hotels are either big or stuffy or both. The Hotel Friedrichsruhe, near this little Swabian town, is neither, and the people who run it never forget that it is in the country, not in Berlin.

The hotel (or, to give its full, resounding title, the Wald- und Schlosshotel, or forest and castle hotel) is secreted on a wooded plateau four miles north of Ohringen, which is itself about 45 miles north of Stuttgart, home of the Mercedes and Porsche factories. The plateau is called the Hohenlohe, a name adopted eight centuries ago by one of the great German princely families. The family produced political and military leaders, including a 19th-century chancellor, and covered this rural region with castles and hunting lodges.

Between 1712 and 1717, Prince Johann Friedrich of the Ohringen branch of the family built a hunting lodge — a long, three-storied beige building with a typically Baroque central gable and an orange tile roof — and built it big enough and fine enough to house a shooting party of imperial proportions. That, today, is one of the two buildings that make up the hotel, still faintly rustic with brass beds and voluminous down comforters, but with all modern conveniences as well, of course. (Great piles of thick towels and big jugs of fresh orange juice were brought to the room twice a day.) A three-minute walk away sits the second building, new in 1953 but built, in part, to look much older; it houses more bedrooms, two restaurants, saunas and an indoor swimming pool, and tennis courts and an outdoor pool are nearby.

The Friedrichsruhe, whose name means "Frederick's refuge," full to overflowing, as it usually is at holidays, accommodates only 86 guests in its 48 rooms.

My wife and I spent Christmas at the Friedrichsruhe a year ago. I have spent Christmas at home and abroad: exuberant boyhood holidays in Ohio, subdued wartime holidays in Vietnam and Nigeria, gala days in Sicily and Devon and the south of France. But I have never had quite as perfect a Christmas as this one.

Lothar Eiermann, the hotel-keeping prodigy who made the place what it is, was trained as a chef and still regards the Friedrichsruhe as a restaurant with rooms. He presides in the kitchens but still manages, between services, to mingle with the guests and see to their whims. (On Christmas Eve, he somehow came up with a bottle of Sauerkirsch, a rare and refined schnapps, for my wife to give to me as a present the next day.) He was only 28 years old, working at the Erbprinz in Ettlingen after training in Scotland and London, when the current Hohenlohe-Ohringen prince, who owns the hotel, asked him in 1973 to lift it out of the doldrums.

"They like to work," says Eiermann of his 80 staff members. "They see that I work."

In the main dining room, all red walls and stiff white damask and brass chandeliers and sconces, with the twin black lions of the Hohenlohes on the service plates, Eiermann practices the modern cooking that has swept West Germany in the last decade. He has a light hand, as demonstrated in two of his specialities — fresh tuna with an herb vinaigrette and lamb medallions in puff pastry. For Christmas Eve, he laid out a bountiful, 30-foot-long buffet that included immaculately fresh lobsters and oysters hundreds of miles from the sea, whole boned baby quails in aspic, fresh foie gras, a dozen kinds of hot and cold meats — a table, in short, fit for a kaiser's wedding reception.

In the more informal stube, he produces cooking in keeping with its markedly regional decor — forest-green tablecloths with white ones on top, chairs with heart shapes cut out of their backs, antlers on the walls, an old porcelain stove in one corner. For Christmas lunch, we decided to eat there. To start we cheated a bit and asked for caviar, which appeared without cavil. Then a traditional main course: roast goose, its dark skin crisp and its meat juicy, with savoy cabbage and red cabbage and a dumpling as light as a soufflé. In both rooms, the choice in drink is vast; you might sample the estate's own dry white, which is cheap and snappy, or you might choose a glorious 1971 La Tâche from the Domaine de la Romanée-Conti, at a mere $140.

As much as we liked the food, however, it was the mood and spirit of the place that completely won us over. Without a false gesture or a trace of hype, Eiermann, his wife, Carla, and their accomplished staff turned a hotel into a hearthside. We returned from a drive through the countryside the afternoon of the 24th to find a lovely, sparsely decorated tree outside the main dining room and, in our own room, freshly cut pine boughs, a bottle of Champagne and a paper plate of homemade Christmas cookies. Knowing that we were Anglo-Saxons, someone had tied a piece of misletoe to our chandelier. Before dinner, the Eiermanns gave a cocktail party for their guests and friends — not with a string quartet or an orchestra, as some hoteliers might have done, but with their daughter, Alexa, playing on her violin and flute for her temporarily extended family.

Later that night, there was a heart-warming service at the pretty Baroque church in the nearby village of Schönthal, whose name means "beautiful valley." And then, against all expectations, it snowed. When we awoke on Christmas morning, the ancient trees that form an *Allee* between the two buildings were crusted in white, and mist hung low over the fields. The staff had set fresh-cut balsams against the front of the schloss. It was quite magical.

We arrived early for our stay at the Friedrichsruhe. Within an hour's drive of Ohringen, we found more than enough to occupy ourselves — Schwäbisch Hall, which has perhaps the finest market square in all Germany, flanked by timbered partrician houses and a Baroque town hall and overlooked, from a crag just outside town, by the grim old fortified abbey of Gross Comburg; the Neue Staatgalerie in Stuttgart, designed by James Stirling; Heidelberg, with its great university and its mighty ruined castle; the isolated Chapel of Our Lord (Herrgottskirche) near Creglingen, which contains an intensely expressive altarpiece by Tilman Riemenschneider, considered by many the masterpiece of that greatest of German Renaissance sculptors; the church at Stuppach, with a Madonna by Matthias Grünewald, full of tragic intensity, which is one of his relatively few surviving works.

Almost every town of any size has, in the holiday season, a Christkindlmarkt or Christ-child market, an assembly of stalls in one of the main squares. There can be few more pleasant and less commercial ways to do one's holiday shopping than to wander through one of these markets, eating a wurst here and drinking a beer there, buying handmade Christmas-tree ornaments or wreaths

The New York Times

made of nuts and cones and dried vegetables. Almost nothing is tawdry or tacky and almost nothing is terribly expensive.

A stay at Friedrichsruhe is not a gift — our room cost $95 a night, and our three days cost $985, including all meals, drinks tips and taxes — but we did order caviar, and the wine list broke down our self-discipline once or twice. We would have stayed for New Year's Eve if we could have afforded it. Eiermann said he planned to have musicians dressed in 17th-century costumes that night.

(The Wald- und Schlosshotel Friedrichsruhe, 711 Friedrichsruhe; telephone 7078. Current rates for a double room are about $90 to $95 for two, with breakfast.) ■

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Disney's World

Continued from page 7

up to now, Minnie will introduce her own line of clothes and, possibly, rock music.

Although Disney shares problems and opportunities with the rest of the movie industry, the studio is unique in the potential profits it can make from real estate. No other studio has 28,000 acres in central Florida. No other studio has the advantage of owning the country's two most successful theme parks. In addition to the just-announced park outside of Paris, there is a Disneyland in operation in Japan. The studio will break ground within a few months on a $300-million film studio at Walt Disney World in Florida. The public will be able to buy tickets and take a studio tour.

At Disney, Eisner has moved quickly to exploit assets that were lying unused in Disney's vaults — 29 years worth of "The Wonderful World of Disney" and nearly 500 cartoons that had never been syndicated. Two packages of old movies and "The Wonderful World of Disney" television programs have commanded $40 million in just one month of syndication.

Filmed entertainment — which includes movies, television, videocassettes and cable — brought in only $33.6 million of Disney's $173 million in operating income in 1985. Nevertheless, Eisner is aware that his most important and difficult job will be to create a successful movie company.

"My first week at Disney, there was an employee recognition dinner. They sang Disney songs and I realized the newest song was 20 years old. And at the theme parks, Tomorrowland was looking a bit like Yesterdayland. My real challenge is to create the new without letting 'Disneyesque' vanish from the dictionary."

Even as he walked through Disneyland on its 30th anniversary, Eisner was surrounded by changes he and Wells hoped would give "Disneyesque" a contemporary meaning. The educational ride inside the atom was being replaced by a thrill ride to be designed jointly with "Star Wars" director George Lucas. It will feature "Star Wars" characters and a new technology similar to the simulators used to train pilots. In another attempt at updating, Michael Jackson was starring in a 3-D movie being directed by Francis Coppola and produced by Lucasfilm that will open at Disneyland and Disney World in 1986.

On his first day at the studio, Eisner had said that his goal was to have one animated series on the air by the fall of 1985. The result was "Wuzzles" and "The Adventures of the Gummi Bears." "Wuzzles" are creatures that are cuddly combinations of two animals — Eleroo, for instance, a mixture of an elephant and a kangaroo; and Bumblelion, part bumblebee, part lion.

"Gummi Bears" was pure Eisner, the result not only of his instincts but of a curiosity that would be noteworthy anywhere but is remarkable in an industry built on narcissism. Until the age of 14, Eisner spent hours each week staring from his parents' New York apartment down at Park Avenue and 89th Street. "It was like 'Rear Window,' " he says. "I watched the man with polio across the street, and I saw my first person dead. My sister never watched." Last spring, his 7-year-old son nagged him into going to a neighborhood drugstore to buy a particular kind of candy. He was curious about why his son was so insistent, and he got the idea for "Gummi Bears" the instant he watched his son's excitement over a pack of chewy drops in the shape of bears.

Prior to Eisner and Wells, Disney had never advertised its theme parks. At a cost of only $15 million in advertising, most of it for television commercials, Wells has raised attendance at the parks roughly 10 percent.

Among Eisner's far-out ideas is that of a new Chautauqua to make Disney World a cultural center. "Remember what Plato said some time ago," he says. " 'Let early education be a sort of amusement; you will then be better able to find out the natural bent.' " And one morning a few weeks ago, Eisner was contemplating the revenues Disney might take in by adding a new, more serious attraction to Disney World — the Industrial Kingdom, where people would ride through working factories and watch park employees making chocolate bars, golf clubs, stuffed animals or breakfast cereals.

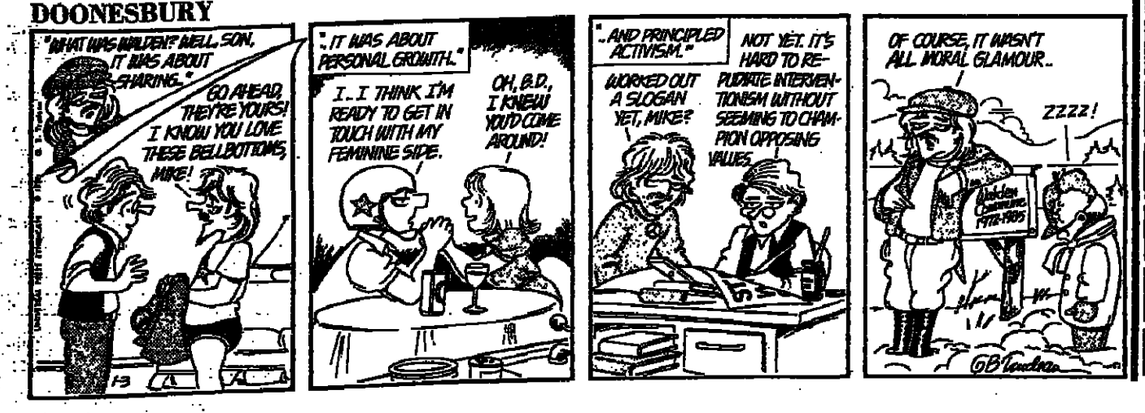
"This would be the '60 Minutes' of our network schedule," he said. "I think people feel after a week of frivolousness they will come to '60 Minutes' and be cleansed. Before you leave Walt Disney World, you can show your American family how the workplace works."

Whatever will come of this idea is no more certain than whether there will soon be Disney Wilderness Inns, or a chain of hotels designed as Disney castles. And no one yet knows if new glory days will come to Disney by way of Eisner's new television programs and movies that will create new characters for theme parks that will sell cassettes of the movies that will then play on Disney's cable channel.

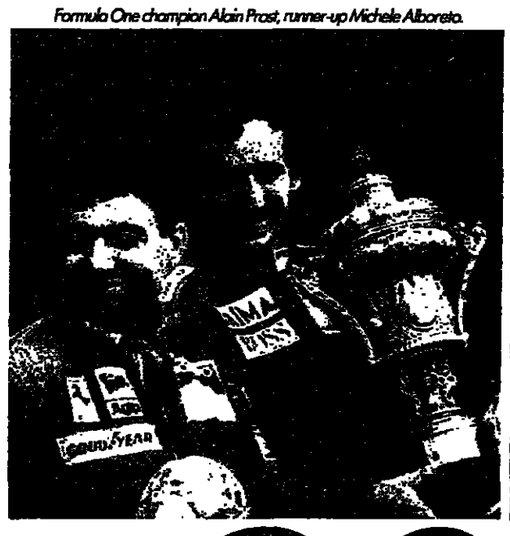
But Michael Eisner is sure that he has wished on the right star. ■

This was excerpted from an article in The New York Times Magazine.

DOONESBURY



Formula One champion Alain Prost, runner-up Michele Alboreto.



Miss America 1986, Susan Akin, predecessor Sharlene Wells.

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NYSE Most Actives

	Vol.	High	Low	Last	Chg.
OccIPet	28196	31	29⅝	30⅞	— ⅛
CarPw	25278	30⅝	30	30¼	+ ⅛
BellSou	22604	49	48	48⅝	— ¼
Midcon	22285	69⅝	68⅛	69⅞	— ⅛
IllPowr	21555	24	23⅞	24	+ ⅛
IBM	18044	154⅝	151⅝	152	—3½
AT&T	13665	24⅝	24⅜	24½	— ½
Revnlds	12370	31⅝	31⅛	31⅜	
TovRUs	11502	35	33¼	33⅜	—1¾
PulPen	11040	8⅝	8⅛	8¼	+ ⅛
UnCarb	9312	73¼	69½	73¼	+2⅜
Mobil	9090	30¼	30	30⅛	— ⅛
GaPac	9029	26½	25⅝	26	— ½
MesaOf	7887	2¼	2⅛	2¼	+ ⅛
USSteel	7619	26⅝	25½	26½	— ⅛

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1546.22	1551.95	1523.74	1537.73	— 8.94
Trans	707.26	714.03	698.24	706.55	— 1.46
Util	174.65	175.63	172.80	174.45	— 0.36
Comp	616.13	619.53	607.82	613.86	— 2.47

NYSE Index

	High	Low	Close	Ch'ge
Composite	121.10	120.58	120.74	— 0.84
Industrials	138.74	138.10	138.23	— 1.04
Transp.	113.64	113.02	113.24	— 0.72
Utilities	62.08	62.65	62.88	— 0.31
Finance	130.95	130.43	130.50	— 0.79

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	84.10	+ 0.28
Utilities	82.90	+ 0.04
Industrials	85.30	+ 0.72

NYSE Diaries

	Close	Prev.
Advanced	706	949
Declined	907	655
Unchanged	391	418
Total Issues	2004	2022
New Highs	88	130
New Lows	7	5
Volume up	34,236,340	
Volume down	52,226,390	

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
Dec. 31	159,658	581,758	6,228
Dec. 30	232,237	620,486	6,075
Dec. 27	181,494	426,549	2,214
Dec. 26	150,067	371,985	631
Dec. 24	105,615	446,202	1,336

*Included in the sales figures

Thursday's NYSE Closing

Vol. at 4 P.M.	98,960,000
Prev. 4 P.M. vol.	112,650,000
Prev consolidated close	138,358,250

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Diaries

	Close	Prev.
Advanced	415	416
Declined	198	224
Unchanged	210	234
Total Issues	823	874
New Highs	39	32
New Lows	6	8
Volume up	4,205,350	
Volume down	2,226,000	

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	324.99	+ 0.06	320.29	318.19
Industrials	329.76	— 0.41	324.73	322.68
Finance	424.52	+ 1.03	418.51	415.80
Insurance	382.11	+ 0.04	375.44	381.08
Utilities	300.43	— 1.14	301.99	294.24
Banks	347.99	— 1.37	N.A.	335.50
Transp.	293.14	+ 1.55	289.49	283.76

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Wickes	7584	4⅝	4½	4⅝	+ ⅛
BAT In	6454	4⅝	4½	4⅝	+ ⅛
Lionel	4189	6	5⅝	5⅞	+ ⅜
TIE	2417	7	6⅝	7	+ ¼
AM Intl	2090	5⅞	5⅝	5¾	— ⅛
Amdahl	1802	14⅝	14⅛	14⅜	— ¼
WangB	1794	19⅝	19¼	19⅜	— ¼
AlzaCp	1363	31¾	30⅝	31½	+ ⅜
DataPd	1316	16⅝	16¼	16⅝	
ImpOil g	1258	37	36½	37	+ ½
DomeP	1088	2⅛	2	2⅛	
TexAir	1010	15¼	14⅞	14⅞	— ¼
Husky g	1005	7¾	7½	7½	— ½
PrattL s	925	23⅞	23⅜	23⅜	— ⅜
IntThr n	911	3⅝	3½	3½	+ ⅛

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	234.56	231.85	232.57	— 1.99
Transp.	188.72	186.95	187.74	— 0.98
Utilities	93.17	92.13	92.47	— 0.50
Finance	25.72	25.44	25.51	— 0.21
Composite	211.28	208.93	209.59	— 1.69

AMEX Sales

4 P.M. volume	8,300,000
Prev. 4 P.M. volume	13,550,000
Prev. cons. volume	13,850,490

AMEX Stock Index

High	Low	Close	Ch'ge
246.50	245.86	246.50	+ 0.37

NYSE Drifts in Sluggish Trading

The Associated Press

NEW YORK — The New York Stock Exchange got off to a sluggish start on 1986, drifting lower in quiet trading Thursday.

The Dow Jones average of 30 industrials, down more than 12 points at its lowest levels of the day, was off 8.94 at 1,537.73 by the close.

Volume on the New York Stock Exchange came to 98.96 million shares, down from 112.65 million Tuesday before the New Year's holiday.

In the daily tally on the Big Board, advances outnumbered declines by about 9 to 7. The exchange's composite index dropped .84 to 120.74.

Nationwide volume in NYSE-listed issues, including trades in those stocks on regional exchanges and in the over-the-counter market, totaled 121.88 million shares.

Standard & Poor's index of 400 industrials lost 1.99 to 232.57, and S&P's 500-stock composite index was down 1.69 at 209.59.

The NASDAQ composite index for the over-the-counter market edged up .06 to 324.99. At the American Stock Exchange, the market value index closed at 246.50, up .37.

Analysts found no specific news to account for the market's weakness. They said hopes remained generally high for solid growth in the economy and corporate profits in 1986.

The U.S. Commerce Department predicted that the new year "should be a good year, by and large better than 1985" for most industries, especially in the service sector.

However, some brokers said that stocks appeared to be weighed down by sell orders from investors looking to cash in on the market's gains in 1985, when the Dow Jones industrial average soared 27.66 percent.

They also noted that the market no longer benefited from year-end buying by investing institutions to prepare their portfolios for reports to employers and clients.

Furthermore, some market-watchers pointed out that hopes for a reduction in the Federal Reserve's discount rate, which have been running high for the past couple of months, had not yet been fulfilled. Interest rates rose Thursday in the bond and short-term money markets.

Occidental Petroleum led the active list and dropped ⅛ to 30⅞, while MidCon was down ⅛ at 69⅞. Occidental agreed to acquire MidCon for cash and stock, topping a hostile bid for the company by an investor group.

Union Carbide climbed 2⅜ to 73, and GAF tumbled 5¾ to 53¼. GAF raised its hostile takeover offer for Union Carbide from $74 a share to $78 a share.

Union Carbide countered with an announcement of several planned moves: The purchase of 38.8 million of its shares, from among 56.7 million tendered to it under an exchange offer; a 3-for-1 stock split, and a dividend increase. The company also said that it would sell its consumer products businesses.

Toys-R-Us fell 1¾ to 33⅜. The company's report that its sales in November and December rose 13.8 percent from an approximately comparable period in 1984 fell short of some expectations on Wall Street.

Losers among the blue-chip industrials included International Business Machines, down 3½ at 152; American Telephone & Telegraph, down ½ at 24½, and DuPont, off 1½ at 66⅞.

(Continued on Page 12)

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Statistics Index

AMEX prices	P.14	Earnings reports	P.—
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NYSE highs/lows	P.12	Interest rates	P.11
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Herald INTERNATIONAL Tribune.

BUSINESS/FINANCE

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TECHNOLOGY

In Testing New Sunglasses, The Proof Is on the Slopes

By ANDREW POLLACK

New York Times Service

SAN FRANCISCO — With winter here, it might not seem like the time to talk about sunglasses. But it is skiers, not sunbathers, who put sunglasses to their stiffest test. The sun, reflected off the snow, buffets a skier from both above and below, and at high altitudes there is less atmosphere to screen out harmful radiation.

Hence it is on the slopes that the battle for the ultimate sunglasses is often fought, and it is not unusual for skiers to spend more than $100 for a pair of glasses.

This winter, the newest thing under the sun is a type of sunglasses introduced by Coopervision Inc. of Menlo Park, California. The glasses, which cast an iridescent glow, bring a new technology to the sunglasses business and will do battle with Bollé, Vuarnet, Suncloud and other premium glasses.

> **This year promises yet a fifth technique for making lenses.**

The task of sunglasses seems simple — to block the sun's light. But as anyone who has seen light pass through a prism knows, there are different wavelengths of light, some of which are seen as different colors. There are also infrared and ultraviolet radiation. Which wavelengths are blocked and which are transmitted has a lot to do with how effective the glasses are.

The ideal glasses should block out harmful radiation. Yet they should not distort real colors too much. A white snow bank should still look roughly white. The lenses also should not absorb so much light that the wearer cannot see if it suddenly becomes cloudy.

THERE is growing agreement that glasses should block ultraviolet light, which causes sunburn and can also damage the eyes. Some glasses also claim to block out infrared radiation, which is the part of sunlight felt as heat. But there is less evidence that infrared radiation from sunlight harms the eyes.

"When you get into the sunglass area, there is a great deal of hype about what are harmful rays and what aren't harmful rays," said John McNamara, sales and marketing manager for the optics division of Gentex Inc., a lens maker in Pennsylvania.

Several techniques can be used to make glasses, but they can be classed into four main categories.

One is simply to absorb the light using tinted glass or plastic. The second is to reflect the incoming light using a metallic coating. These glasses, which look like mirrors, have become popular in recent years, partly for fashion reasons.

There are variations on both themes. For driving, there are glasses that are darker at the top to block sun from above, but clearer at the bottom to aid seeing the road and dashboard. Vuarnet glasses, a popular skier's glasses made by Pouilloux SA of France, are more reflective at both the top and bottom, because skiers must fend off light from both directions.

Another technology is polarized lenses. These allow only the light waves aligned in a particular direction to pass through.

The fourth category is the photochromic lenses. These contain chemicals, similar to those used in film, that darken upon exposure to sunlight. This allows the sunglasses to darken in bright sunlight and then lighten again in a dark room.

The new Revo glasses from Coopervision could become a fifth category since they use the principle of interference of light. It is the same principle that causes a rainbow effect in a sheen of oil floating on a puddle.

Imagine a beam of light hitting the oil. Some of it is immediate-

(Continued on Page 13, Col. 6)

Factories Post Rise In Orders

U.S. Nondurables Fueled Increase

Compiled by Our Staff From Dispatches

WASHINGTON — Orders to U.S. factories for manufactured goods rose 1 percent in November, led by the sharpest jump in orders for nondurable goods in five years, the government said Thursday.

The Commerce Department said total factory orders climbed to $197.4 billion in November, the first overall gain since a 1.5-percent increase in August.

Orders had declined by a revised 1 percent in October, a slight improvement over the 1.1-percent decline originally reported, and by 0.7 percent in September.

The November gain was concentrated in orders for nondurable goods, items not expected to last beyond three years. This category jumped 2.5 percent, the biggest increase since a 2.7-percent increase in October 1980.

Orders for durable goods fell by 0.3 percent, the third consecutive decline. This represented a revision from a preliminary report that had durable orders rising in November by 0.9 percent.

The overall gain in orders, while encouraging, was tempered by the continued weakness in orders for durable goods.

U.S. manufacturers have been battered for the last year by heavy imports of foreign goods. Analysts said that Thursday's report shows that foreign competition is still making inroads into domestic production.

The moderate gain in factory orders was attributed to the strength in nondurable goods, where orders for food and petroleum products showed big increases.

In the durable-goods category, orders for military equipment rose a sharp 12.7 percent, following big declines of 23.8 percent in October and 21.1 percent in September.

The key category of nonmilitary capital goods showed a decline of 3.1 percent following a 7.3-percent drop in October. However, analysts said the November decline overstated the weakness in this area because it was concentrated in orders for civilian aircraft.

In a separate report, meanwhile, the Commerce Department said construction spending, which has been strong all year, rose by 0.5 percent in November, following revised increases of 0.1 percent in October and 0.8 percent in September. The department had previously reported that spending rose 0.5 percent in October and 0.4 percent in September.

(AP, Reuters)

Shrinkage in Hong Kong's Textiles

U.S. Rules Force Alterations in Garment Trade

By Susan Chira

New York Times Service

HONG KONG — On the first floor of Kenneth Fang's garment factory stand dozens of sleek new machines, automatically knitting bright spools of thread into sweater parts. The machines, bought last year for $6.4 million, represent one cost of U.S. textile restrictions here.

Mr. Fang was forced to buy the machines after the United States had adopted a rule that effectively stopped a widespread practice among garment makers here — having textiles knitted at lower cost in China, sewing together the parts in Hong Kong and exporting the finished product from Hong Kong as part of its export quotas.

Further U.S. restrictions, however, were averted for the time being when President Ronald Reagan recently vetoed a bill that would have drastically cut Hong Kong's garment export quotas. Despite past pledges to veto the bill, Mr. Reagan waited until the last minute to do so, straining the nerves of an industry that had time to reflect on just how vulnerable it is to American protectionist sentiment.

"What this did was to bring home the dangers of the bill being written into law," said Jimmy D. McGregor, director of the Hong Kong General Chamber of Commerce. "We have a very narrow industrial base, and textiles have played a huge role."

The New York Times

Workers operating knitting machines in Hong Kong.

The industry's place in the Hong Kong economy has been shrinking — 10 years ago clothing accounted for half of Hong Kong's exports, dropping last year to 40 percent, or $7.1 billion — but it is still by far the dominant industry in this British colony. And because the largest buyer of Hong Kong textiles is the United States, the fortunes of the industry depend in large measure on access to the U.S. market.

Indeed, protectionism has shaped the development of the industry in Hong Kong — encouraging manufacturers to improve quality, shielding them in part from competition with less-developed nations, and creating a stratified system where big makers with quotas dominate the industry and small makers are increasingly being squeezed out, according to bankers, manufacturers and officials here.

Because Hong Kong has been in the garment business for so long, quotas allocated on a historical basis allow Hong Kong a proportionally larger quota than newcomers to the business — in effect, averting some potential competition from less-developed nations where wages are lower, said Eric A. Nickerson, senior economist of Bank of America's Asia division.

The quotas also have helped create a multi-tiered system for manufacturers that have quotas

(Continued on Page 13, Col. 1)

Union Carbide Counters New Offer by GAF

The Associated Press

NEW YORK — GAF Corp. on Thursday again increased its takeover offer for Union Carbide Corp., but Union Carbide rejected the offer and unveiled new defensive actions that included an offer to buy back more than half of its stock.

GAF raised its bid to $78 a share in cash from $74, increasing its offer to $4.93 billion for the 89.7 percent of the chemical giant's stock that it does not already own. GAF, a smaller, chemical and building-materials concern, had increased its bid from $68 a share last week.

In rejecting the latest offer, Union Carbide said it would accept more than 50 percent of its own stock, instead of an initial 35 percent, in a stock-repurchase offer.

The company also said it would sell its battery, plastic wrap and automotive products businesses, split its remaining stock 3-for-1 after the stock repurchase, issue a special dividend and increase its regular dividend.

Union Carbide's chairman, Warren M. Anderson, said in a letter to shareholders that the latest GAF offer was still "grossly inadequate, unfair and highly conditional."

The letter from the company's headquarters in Danbury, Connecticut, was released after a meeting of Union Carbide directors.

Union Carbide stock closed at $73 on the New York Stock Exchange, up $2.125 from Tuesday's close before the New Year's Day holiday. GAF fell $5.75 to $53.25.

Union Carbide initially had countered GAF's unsolicited bid with an offer to buy back 35 percent of its own shares, swapping each share for $20 in cash and securities that the company valued at $65. Some analysts put a lower value on the securities, saying Union Carbide's proposal was comparable to GAF's $74-a-share bid.

Union Carbide also offered to purchase an additional 35 percent of its shares if GAF increased its stake in Union Carbide to 30 percent or more.

However, on Thursday, Union Carbide said it would now accept 38.8 million of its own shares. That represents more than 50 percent of the total 70.5 million shares outstanding and 68.4 percent of the 56.7 million shares that shareholders had tendered in its original buyback offer, whose deadline was Tuesday.

Shareholders who responded to Union Carbide's offer were given until midnight Jan. 7 to withdraw their shares.

The consumer products businesses Union Carbide decided to sell include the makers of Eveready and Energizer batteries, Glad plastic wrap and bags, and Prestone and STP automotive products. The businesses will be sold through competitive bids, Union Carbide said.

The company also declared a special dividend, payable March 1 to holders of record as of Feb. 15, of the excess from the proceeds of the sales over their book value of $1.1 billion. The business had profit of $226 million on sales of $1.9 billion in 1984.

GAF had said it would sell Union Carbide's consumer businesses if it succeeded in its takeover.

In addition, Union Carbide said it would split its stock 3-for-1 after it completes its repurchase offer. It also is increasing the regular annual dividend on shares outstanding from $3.40 a share to $4.50, on a pre-split basis.

Mexico Clears the Decks for Oil-Price Showdown

By Dan Williams

Los Angeles Times Service

MEXICO CITY — Mexico's sudden cut in oil prices earlier this week, and its decision to review and adjust prices on a monthly basis, are symptomatic of the war of nerves developing in the newly wide-open world oil market, according to petroleum analysts.

Countries such as Mexico that are heavily dependent on oil revenues are fighting to keep their share of the market. In Mexico's case, the scramble for sales has created a new pricing policy designed to give the country's energy company uncustomary flexibility in responding to changes in the price of oil.

More adjustments may be on the way, some analysts say, possibly including an easing of restrictions on the sale of oil to Mexico's principal customer, the United States.

"Everybody's trying to compete," said Jonathan Heath, director of the Econometrics Investigation Center of Mexico, a U.S.-based research organization. "Mexico has just become more aggressive. They're not going to be left behind in price changes."

Ken Fuad, an analyst for Petroleum Intelligence Weekly, an industry newsletter, commented: "The Mexicans decided they can't defend the price of their oil. They were probably under great pressure from their customers and moved to defend their market share."

On Monday, Mexico took two steps to ensure that its customers do not desert it in search of cheaper oil elsewhere.

The state-run oil company, Petróleos Mexicanos, or Pemex, announced price cuts averaging 90 cents a barrel, retroactive to Dec. 1. Pemex said that it would review prices again at the end of January and make a further adjustment according to market conditions.

"The Mexicans found that they couldn't predict the price of oil anymore, so they did the next best thing — they'll figure it out after the fact," Mr. Fuad said.

All this became necessary when the 13-member Organization of Petroleum Exporting Countries decided that the prices it set could no longer be maintained because of stiff competition from non-OPEC producers like Britain and Norway.

OPEC, after more than a decade of arbitrary price increases, decided instead to protect its markets

(Continued on Page 15, Col. 3)

Currency Rates

Cross Rates

Dec. 31/Jan. 2

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.756	4.00	112.685 *	36.73 *	0.1652 *	—	5.514 *	133.90 *	138.37 y
Brussels(a)	49.9675	72.4925	20.431	6.658	2.9918 *	18.1325	—	24.29	25.10 *
Frankfurt	2.443	3.549	—	32.595 *	1.465 x	88.745 *	4.894 *	118.85 *	1.228 *
London (b)	1.4503	—	3.5365	10.8375	2,417.00	3.9848	72.175	2.9688	287.75
Milan	1,669.50	2,421.70	682.25	222.62	—	606.50	33.413	811.70	8.391
New York(c)	—	0.6859 ≠	2.4255	7.4435	1,658.00	2.7365	49.62	2.0895	198.65
Paris	7.505	10.892	3.068	—	4.4965 x	2.7239	15.024 *	3.652	3.77 *
Tokyo	200.35	289.10	81.45	26.53	11.96 *	72.31	397.91 *	96.60	—
Zurich	2.0755	2.9904	84.38 *	27.495 *	0.1236 *	74.865 *	N.A. *	—	1.0337 *
1 ECU	0.8911	0.6161	2.1842	6.7023	1,488.66	2.461	44.6109	1.834	177.606
1 SDR	1.10121	0.75789	2.69026	N.Q.	N.Q.	3.0349	55.0247	N.Q.	N.Q.

Tokyo and Zurich rates as of Dec. 31. All other rates as of Jan. 2.
Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M.
(a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available.
(≠) To buy one pound: $U.S.1.458

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	5.41	Mex. peso	457.00	Soviet ruble	0.7585
Austral. $	1.4693	Greek drac.	150.80	Norw. krone	7.545	Span. peseta	154.00
Austr. schil.	17.46	Hong Kong $	7.809	Phil. peso	19.10	Swed. krona	7.56
Belg. fin. fr.	50.35	Indian rupee	12.1212	Port. escudo	158.00	Taiwan $	39.85
Brazil cruz.	10,110.00	Indo. rupiah	1,125.00	Saudi riyal	3.6505	Thai baht	26.585
Canadian $	1.4007	Irish £	0.8032	Sing. $	2.1045	Turkish lira	569.65
Chinese yuan	3.2015	Israeli shek.	1.50	S. Afr. rand	2.649	UAE dirham	3.6723
Danish krone	8.895	Kuwaiti dinar	0.2887	S. Kor. won	892.52	Venez. boliv.	14.70
Egypt. pound	1.36	Malay. ring.	2.415				

£ Sterling: 1.1613 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits

Jan. 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	8-8⅛	4⅝-4¾	3⅞-4	11 9/16-11 11/16	12½-13	9⅝-9¾	8¼
2 months	7 15/16-8 1/16	4⅝-4¾	3 15/16-4 1/16	11⅝-11⅞	12¾-13¼	9⅝-9¾	8 ⅛
3 months	7⅞-8	4⅝-4¾	4-4⅛	11 9/16-11 11/16	12⅞-13⅜	9⅝-9¾	8 ⅛
6 months	7⅞-8	4⅝-4¾	4-4⅛	11½-11⅝	12⅞-13⅜	9½-9¾	8 ⅛
1 year	7⅞-8	4 11/16-4 13/16	4-4⅛	11⅝-11¾	11½-12	9 7/16-9 9/16	7 ⅞

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Jan. 2

	Close	Prev.
United States		
Discount Rate	7½	7½
Federal Funds	9¼	10½
Prime Rate	9½	9½
Broker Loan Rate	9¾-12	9
Com Paper 90-179 days	7.75	7.75
3-month Treasury Bills	7.09	7.02
6-month Treasury Bills	7.16	7.06
CD's 30-59 days	7.50	7.55
CD's 60-89 days	7.55	7.55
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	4.80	5.55
One Month Interbank	4.90	4.95
3-month Interbank	4.85	4.85
6-month Interbank	4.90	4.85
France		
Intervention Rate	8¾	8¾
Call Money	9¼	9⅛
One-month Interbank	9	9
3-month Interbank	9	9
6-month Interbank	9 1/16	9 1/16
Britain		
Bank Base Rate	11½	11½
Call Money	11¾	11⅝
91-day Treasury Bill	11 3/16	11 13/64
3-month Interbank	11 7/32	11¼
Japan		
Discount Rate	5	5
Call Money	Clsd	7 15/16
60-day Interbank	—	7 13/16

Sources: Reuters, Commerzbank, Credit Lyonnais, Bank of Tokyo.

Asian Dollar Deposits

Jan. 2

1 month	8 - 8⅛
2 months	7 15/16 - 8 1/16
3 months	7⅞ - 8
6 months	7⅞ - 8
1 year	7 15/16 - 8 1/16

Source: Reuters.

U.S. Money Market Funds

Jan. 2

Merrill Lynch Ready Assets
30 day average yield: 7.91

Telerate Interest Rate Index: 7.704

Source: Merrill Lynch, Telerate.

Gold

Jan. 2

	A.M.	P.M.	Ch'ge
Hong Kong	328.70	328.00	+ 0.80
Luxembourg	327.45	—	+ 1.95
Paris (12.5 kilo)	327.98	327.50	— 1.48
Zurich		Clsd	
London	327.10	326.30	— 0.95
New York	—	327.80	— 2.00

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

Markets Closed

Financial markets were closed Thursday in Japan, South Korea, Switzerland, Austria and Taiwan for holidays. Markets remain closed Friday in Japan.

U.S. Airline Expansion Spurs Demand for Pilots

By Agis Salpukas

New York Times Service

NEW YORK — Embarked on one of their biggest expansions ever, the 14 major U.S. airlines are hiring pilots at a furious pace, a record 8,000 in 1985 alone. The dramatic increase in demand, spurred in large part by union concessions on starting salaries, has led to radical changes at airlines of all sizes in the way pilots are hired and trained.

Hiring standards have been changed as the major carriers seek to broaden the base of potential candidates for their cockpits.

In particular, the changes have been a boon to veteran pilots who were too old to join the major lines under traditional standards.

Besides raising the age cutoff — in some cases to more than 50 years old, from a low of 32 — the carriers have loosened educational qualifications and even vision requirements.

And the airlines have stepped up efforts to hire pilots away from the nation's 200-odd commuter lines, causing many of the smaller carriers to complain that the hiring "raids" have disrupted their operations and forced them into an even more intense scramble to fill cockpit seats.

The turnover rate approached 100 percent at Wings West Airlines of San Luis Obispo, California, before new pilots there were asked to sign a contract promising that they would not leave for a year.

"We've always supplied the majors with pilots," said John Gallishon, Pilgrim's director of marketing and its controller. "Traditionally you go to flight school, get a flight-instructor license and get a job as a co-pilot with a commuter carrier and build up your hours to qualify for a major airline."

The current demand from the major airlines has been so great, however, that this process has changed. Instead of training 10 pilots in 1985 to fill out its 100-member roster, the airline had to train nearly 30, Mr. Gallishon said.

The pressure on the commuter lines has been growing since 1983. The major airlines began to expand capacity that year after an industry slump caused by a recession.

The expansion intensified in 1985 as the major carriers took delivery of new planes and negotiated more union contracts featuring two-tier wage scales, which provide much lower rates for new employees.

The recruiting of 8,000 new pilots in 1985, as estimated by the information service, brought the total number of pilots at the major carriers to 34,000.

To fill their rosters, half of the major airlines now hire pilots with corrected 20-20 vision, rather than unaided 20-20, and fewer carriers insist on college degrees, according to Kit Darby, vice president of marketing for Future Aviation Professionals of America, an Atlanta-based information service.

"This is a tremendous change," he said, adding that "the window of opportunity has broadened considerably" for older pilots, among others.

When it comes to flight experience, he said, most airlines still generally require pilots to have a minimum of 2,000 hours of flight time.

GNP Declines In Philippines

Reuters

MANILA — Gross national product in the Philippines fell 3.95 percent in 1985 because of unfavorable global conditions and the government's austerity program, Vicente Valdepenas, the minister of economic planning, said Thursday.

He said the economy was expected to grow 1.5 percent in 1986 because of an increase in agricultural production. GNP, the total value of the country's output of goods and services, fell 5.5 percent in 1984.

Mr. Valdepenas, who is also director-general of the National Economic and Development Authority, said in a year-end report that at constant 1972 prices, GNP dropped to 89.9 billion pesos ($4.7 billion) in 1985 from 93.5 billion in 1984. The report said the agriculture, forestry and fishery sectors grew a combined 1.27 percent to 25.36 billion pesos from 25.04 billion in 1984.

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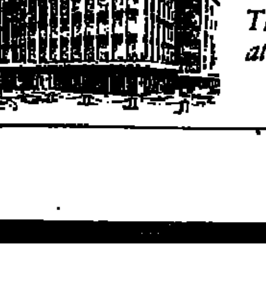

Trade Development Bank

The Trade Development Bank building in Geneva, at 96-98, rue du Rhône.

An American Express company

Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued from Page 10)

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Chg.
12	5⅝	PacRes			12	138	11½	11⅛	11½	+ ⅜
20⅜	13½	PacRs pf	2.00	9.7		56	20⅝	20⅝	20⅝	
17½	12⅝	PacSci	.40	2.8	13	25	14⅝	14½	14½	+ ⅛
85⅝	66⅝	PacTele	5.72	6.8	10	2828	84⅝	83⅝	84⅛	— ⅜
15	9¼	PacTin	.40	3.2	7	6	12⅝	12½	12½	
31⅝	24⅝	Pacifcp	2.40	7.7	9	778	31¼	30⅞	31	— ¼
36	31	PacH pf	4.07	11.4		7	35⅝	35¼	35¾	+ ½
43⅝	25¼	PainWb	.60	1.7	20	518	35	34⅝	34½	— ¼
34⅛	25⅝	PainW pf	2.25	7.4		44	30¾	30	30⅜	+ ½
8¾	4	PanAm				1705	7⅞	7½	7⅝	
4	1⅞	PanA wt				86	2⅝	2½	2½	
21	13⅝	Pandck n	.20	1.1	19	158	18⅝	18	18½	— ⅜
41½	32⅝	PanhEC	2.30	6.0	13	1132	38⅝	37¼	38⅜	+ ⅞
27	14	Panaph			16	300	24⅝	24	24⅜	— ⅛
10¼	3⅜	PantPr				762	9⅝	9⅜	9⅝	
18⅛	6½	Pardyn				517	7⅝	7	7¼	+ ¼
17⅜	11½	ParkEl	.06e	.4	16	82	16⅛	16	16	
7½	4	ParkDri	.08	1.7		323	4⅝	4⅝	4⅝	+ ⅛
39½	28¼	ParkH	1.12	2.9	13	370	38½	38	38⅛	— ⅛
24⅞	15	ParkPn	.52t	2.2	20	174	24⅜	23⅞	23⅞	—1
5	3	PatPtr s			15	125	3⅝	3½	3⅝	+ ⅛
15⅛	11½	PayNP	.64	5.0	16	171	13	12⅝	12⅞	
23⅝	13½	PayCsh	.16	1.0	14	375	16	15⅝	15⅞	
1⅛	¼	Penn				222	½		½	+
58⅝	45	PenCen			14	433	51¼	50½	51	+ ¼
57¼	44⅞	Penney	2.26	4.1	11	1448	55½	54⅞	55¼	+ ½
29	23½	PaPL	2.56	8.9	10	398	28⅞	28⅝	28⅞	+ ⅛
40⅛	33½	PaPL pf	4.40	11.1		250z	37⅞	37¾	37⅝	— ¼
40½	33½	PaPL pf	4.50	11.1		100z	40½	40½	40½	+ ½
79	63	PaPL pf	8.60	10.9		1830z	79	77⅝	79	+ ⅜
29¼	25⅛	PaPL dpr	3.42	11.8		35	28⅞	28⅝	28⅞	
27½	22¼	PaPL dpr	2.90	10.8		4	27	26⅞	26⅞	— ⅛
75½	61	PaPL pr	8.40	11.1		880z	75½	75½	75½	
29½	24⅝	PaPL dpr	3.25	11.3		2	28¾	28⅝	28¾	
31⅜	27⅜	PaPL dpr	3.75	12.4		14	30¼	30	30⅛	+ ¼
103½	86½	PaPL pr	11.00	10.8		60z102		102	102	
70⅝	58½	PaPL pr	8.00	11.3		140z	70½	70½	70½	+1½
76	63	PaPL pr	8.70	11.4		100z	76	76	76	+ ½
44½	34	Pennwlt	2.20	5.1		389	43⅝	43	43⅛	+ ½
26½	21⅝	Penw pf	1.60	6.2		5	26⅛	26	26	+ ⅛
72	34	Pennzol	2.20	3.5	26	1227	63½	61⅝	62⅝	—1⅜
20⅝	14½	PeopEn	1.20	6.0	8	1080	20	19⅝	19⅞	+ ⅛
28½	14⅝	PepBy s	.20	.7	21	88	27⅛	26⅝	26⅞	— ⅛
75⅝	40⅝	PepsiCo	1.78	2.5	13	2071	72⅝	71⅞	72	— ⅜
31⅞	22⅝	PerkEl	.60	1.9	17	1026	31	30½	30⅞	
9½	6⅝	Prmian	1.10e	15.7	6	2370	7⅛	7	7	+ ⅛
18⅛	10⅝	PeryD s	.22	1.3		139	17⅛	17	17⅛	+ ⅛
54⅛	31	Petrie	1.40	3.0	15	515	48⅝	46⅝	47	—1⅛
28⅞	24⅞	PetRs	3.72e	13.9		67	27	26⅝	26⅝	
17¼	14⅛	PetRs pf	1.57	9.3		33	16⅞	16⅝	16⅞	+ ¼
5⅜	2⅛	PtrInv	.65e	24.8		16	2⅝	2⅝	2⅝	
50½	37⅞	Pfizer	1.48	3.0	15	3725	50⅜	49⅞	50	— ⅜
24	13½	PhelpD				667	23	22⅛	22¼	— ⅛
56¼	35⅝	Phelp pr	5.00	8.9		49	56½	56	56	— ⅜
46⅜	30	PhibrS	.54	1.3	22	2619	43⅝	42⅝	43	— ½
17⅝	13⅝	PhilaEl	2.20	12.8	7	2572	17⅛	17⅛	17¼	— ⅛
33⅞	26	PhilE pf	3.80	12.3		60z	31	31	31	
37	30	PhilE pf	4.40	11.9		10z	37	37	37	+ ½
40	31½	PhilE pf	4.68	12.4		300z	37⅝	37⅝	37⅝	+1⅛
71½	57½	PhilE pf	8.75	12.9		440z	68	68	68	
11⅝	9¼	PhilE pf	1.41	12.3		59	11½	11⅛	11½	— ⅛
11¼	9	PhilE pf	1.33	12.5		29	10⅝	10⅝	10⅝	
64⅝	51¼	PhilE pf	7.85	12.7		550z	62⅛	61⅞	61⅞	+ ¼
11⅛	8⅝	PhilE pf	1.28	12.3		70	10½	10¼	10⅜	+ ¼
129½	110½	Phil pf	17.12	13.8		100z124		124	124	

U.S. Futures

Via The Associated Press

Jan. 2

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.74½	2.87	Mar	3.39¼	3.42½	3.38¼	3.39½	—.03¼
4.02	2.84	May	3.20	3.20½	3.15½	3.15¼	—.05¼
3.72½	2.63	Jul	2.86	2.86	2.81¼	2.82	—.05½
3.45	2.67	Sep	2.86	2.86	2.81½	2.81½	—.05½
3.08¼	2.93	Dec	2.95	2.95	2.93	2.93	—.04½
Est. Sales Prev. Sales 3,988							
Prev. Day Open Int. 31,164 off 248							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.97	2.24½	Mar	2.47¾	2.47¾	2.47	2.47½	—.00¾
2.91¼	2.31	May	2.51½	2.52	2.51¼	2.51¾	—.00½
2.86	2.33	Jul	2.52¾	2.52¾	2.52	2.52½	—.00¾
2.78	2.24½	Sep	2.37½	2.37½	2.35½	2.36	—.01¾
2.35½	2.28½	Dec	2.28	2.28	2.27½	2.28	—.01
2.74½	2.31½	Mar	2.35	2.35	2.33	2.33	—.02¼
2.42	2.39	May				2.39	—.01
Est. Sales Prev. Sales 11,897							
Prev. Day Open Int. 124,416 off 313							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.79	4.78	Jan	5.29¾	5.40¼	5.29	5.36¾	+.05½
7.42	4.85¼	Mar	5.43	5.51¾	5.40	5.48½	+.05¾
7.79	4.89	May	5.53½	5.61½	5.50¾	5.58¾	+.04¾
6.58	4.97	Jul	5.62½	5.70	5.58¾	5.67¼	+.04½
6.74	4.98½	Aug	5.61	5.69	5.57½	5.66¼	+.02¾
6.28	4.96	Sep	5.48	5.51½	5.46	5.47	—.02
6.32	4.98	Nov	5.44½	5.50	5.43	5.47¼	+.01¼
5.65	5.09	Jan	5.54	5.59	5.54	5.57	+.02½
6.37½	5.19½	Mar	5.63	5.69	5.63	5.67	+.03
Est. Sales Prev. Sales 20,855							
Prev. Day Open Int. 77,274 up 125							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
163.00	127.00	Jan	148.00	150.20	147.10	150.00	+1.80
206.50	130.00	Mar	149.90	152.70	149.70	152.10	+1.30
162.50	132.50	May	152.50	154.50	151.90	154.10	+.70
167.00	134.00	Jul	155.00	156.20	153.80	156.20	+1.00
158.50	135.50	Aug	154.50	156.50	153.80	156.20	+2.00
167.00	135.00	Sep				152.30	+.30
152.00	136.00	Oct				149.70	—.10
153.50	138.50	Dec	150.50	152.00	150.50	151.50	—.50
151.00	136.00	Jan				151.00	
153.00	149.50	Mar				154.50	
Est. Sales Prev. Sales 5,802							
Prev. Day Open Int. 46,875 up 33							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
29.07	18.72	Jan	21.32	21.82	21.11	21.62	+.36
28.60	18.98	Mar	21.42	22.38	21.53	21.96	+.30
27.45	19.25	May	21.95	22.50	21.92	22.20	+.19
25.25	19.46	Jul	22.32	22.75	22.20	22.65	+.37
25.15	19.48	Aug	22.20	22.75	22.20	22.60	+.39
24.05	19.55	Sep	22.40	22.40	22.30	22.30	+.40
22.80	19.50	Oct	21.50	22.00	21.50	21.90	+.25
22.40	19.50	Dec	21.50	21.75	21.35	21.50	+.05
22.35	19.60	Jan	21.50	21.50	21.50	21.50	+.10
Est. Sales Prev. Sales 10,960							
Prev. Day Open Int. 48,361 off 404							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
67.45	54.35	Feb	61.25	61.45	59.65	59.65	—1.50
67.57	55.30	Apr	61.45	61.60	59.85	59.92	—1.43
66.25	54.25	Jun	61.50	61.60	59.90	60.20	—1.20
65.40	55.30	Aug	60.40	60.37	58.90	59.17	—1.13
60.60	57.50	Oct	59.00	59.02	57.50	57.62	—1.15
65.30	59.10	Dec	60.25	60.25	59.60	59.70	
Est. Sales 7,184 Prev. Sales 11,281							
Prev. Day Open Int. 59,361 up 214							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
79.60	60.50	Jan	65.85	66.00	64.77	65.30	—.15
71.70	60.62	Mar	66.55	66.75	65.00	65.30	—1.05
71.00	60.60	Apr	66.25	66.50	64.85	65.05	—1.00
70.00	60.10	May	65.25	65.25	63.85	64.05	—.95
68.50	65.10	Aug	65.85	66.00	65.02	65.30	—.37
Est. Sales 1,949 Prev. Sales 844							
Prev. Day Open Int. 11,206 off 83							
HOGS (CME) 30,000 lbs.- cents per lb.							
53.47	38.10	Feb	46.72	46.80	45.92	46.30	—.32
47.35	36.12	Apr	43.00	43.10	42.22	42.77	—.20
49.05	39.80	Jun	46.00	46.00	45.27	45.75	—.10
49.85	40.45	Jul	46.80	46.18	45.55	45.72	—.05
51.90	40.25	Aug	45.00	45.08	44.55	44.70	—.10
42.43	38.07	Oct	41.50	41.90	41.50	41.55	—.42
49.50	38.27	Dec	42.50	42.50	42.32	42.32	
43.60	40.48	Feb	43.25	43.25	42.95	42.97	—.33
41.60	40.20	Apr	41.00	41.00	40.15	40.15	—1.10
Est. Sales 4,526 Prev. Sales 2,982							
Prev. Day Open Int. 21,480 off 135							
PORK BELLIES (CME) 38,000 lbs.- cents per lb.							
76.20	55.75	Feb	64.25	64.77	62.70	64.10	+.28
75.43	55.65	Mar	64.95	64.95	63.00	64.37	+.27
75.60	57.05	May	65.50	65.80	64.85	65.10	+.20
76.00	57.30	Jul	65.60	65.60	63.95	64.92	—.08
73.15	55.50	Aug	63.55	63.55	61.70	62.07	—.63
Est. Sales 4,256 Prev. Sales 1,466							
Prev. Day Open Int. 8,103 off 40							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
249.00	128.50	Mar	255.00	262.00	254.25	258.56	+17.27
241.09	131.00	May	247.09	247.09	247.09	247.09	+6.00
245.18	135.50	Jul				251.18	+6.00
248.96	132.75	Sep	254.96	254.96	254.96	254.96	+6.00
252.94	138.00	Dec				258.94	+6.00
255.45	142.50	Mar				261.45	+6.00
254.45	189.00	May				260.45	+6.00
Est. Sales 2,077 Prev. Sales 2,056							
Prev. Day Open Int. 13,167 off 288							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
9.33	3.34	Mar	5.68	5.71	5.54	5.55	—.07
7.15	3.58	May	5.90	5.92	5.79	5.81	—.01
6.90	3.79	Jul	6.10	6.13	5.98	6.03	+.07
6.95	4.24	Sep	6.18	6.18	6.18	6.18	+.06
7.20	4.02	Oct	6.28	6.39	6.25	6.27	—.03
7.68	4.61	Mar	7.04	7.04	6.91	6.93	—.03
Est. Sales Prev. Sales 4,992							
Prev. Day Open Int. 93,353 up 1,021							
COCOA (NYCSCE) 10 metric tons- $ per ton							
2392	1955	Mar	2298	2315	2298	2307	+9
2422	1960	May	2337	2355	2337	2345	+8
2429	1960	Jul	2370	2376	2368	2369	+6
2430	2022	Sep	2380	2387	2380	2388	+20
2425	2055	Dec	2390	2395	2390	2395	+30
2385	2029	Mar				2412	+30
Est. Sales Prev. Sales 2,513							
Prev. Day Open Int. 18,044 up 337							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
180.00	102.60	Jan	102.90	104.85	102.25	104.30	+.80
177.50	105.60	Mar	105.25	109.85	104.80	107.05	+.90
162.50	107.25	May	107.25	111.00	106.90	108.80	+.65
157.50	108.00	Jul	108.90	111.10	108.10	110.40	+.90
180.00	107.50	Sep	107.90	111.00	107.90	109.60	+.85
125.00	111.50	Nov				110.30	+.80
113.00	112.00	Jan				110.80	+.80
161.25	111.50	Mar				111.30	+.80
		May				111.30	+.80
Est. Sales Prev. Sales 3,009							
Prev. Day Open Int. 12,951 off 896							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
COPPER (COMEX) 25,000 lbs.- cents per lb.							
84.20	58.75	Jan	63.65	63.65	63.65	63.70	+.30
		Feb				64.05	+.25
80.00	59.20	Mar	64.00	64.45	63.40	64.35	+.20
74.00	60.00	May	64.30	64.75	63.80	64.65	+.20
74.40	60.35	Jul	64.70	64.90	64.20	64.90	+.20
78.90	60.90	Sep	64.90	64.90	64.35	65.05	+.20
70.70	61.25	Dec	64.65	65.35	64.50	65.25	+.20
70.20	63.30	Jan				65.40	+.20
67.90	62.55	Mar	64.85	64.85	64.85	65.60	+.20
67.30	62.90	May				65.80	+.20
66.20	63.25	Jul				66.00	+.20
66.60	61.50	Sep	66.05	66.05	66.05	66.20	+.20
Est. Sales Prev. Sales 2,625							
Prev. Day Open Int. 77,790 off 415							
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
76.50	44.60	Jan				52.80	+.75
		Feb				53.05	+.75
73.60	42.90	Mar	52.85	53.40	52.55	53.40	+.75
66.75	44.20	May	53.40	54.00	53.25	54.00	+.75
63.45	44.50	Jul	54.00	54.20	54.00	54.60	+.75
53.60	46.90	Sep				55.25	+.75
54.80	48.95	Dec				56.25	+.75
		Jan				56.68	+.75
55.80	55.80	Mar				57.25	+.75
56.50	49.40	May				57.90	+.75
50.30	50.00	Jul				58.55	+.75
52.15	51.50	Sep				59.20	+.75
Est. Sales Prev. Sales 106							
Prev. Day Open Int. 2,844 off 36							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
1215.0	574.0	Jan	571.5	578.0	571.5	575.4	—7.2
619.0	580.0	Feb				579.1	—7.4
1193.0	578.0	Mar	588.0	592.0	572.0	583.0	—7.5
1048.0	586.0	May	593.0	600.0	580.0	590.6	—7.6
945.0	592.0	Jul	605.0	607.0	585.9	598.3	—7.8
940.0	603.5	Sep	612.0	612.0	594.0	606.2	—8.0
799.0	613.0	Dec	623.0	623.0	607.0	618.1	—8.2
789.0	630.0	Jan				622.3	—8.2
779.0	624.0	Mar	636.5	636.5	621.0	630.6	—8.2
752.0	643.0	May	639.0	633.0	629.0	639.0	—8.4
746.0	645.0	Jul	637.3	655.5	637.3	647.8	—8.5
729.2	649.5	Sep	646.6	650.0	646.6	657.3	—8.5
Est. Sales 21,000 Prev. Sales 6,520							
Prev. Day Open Int. 86,140 up 870							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
373.50	257.50	Jan	344.50	345.20	334.00	341.30	+1.00
352.00	339.50	Feb				342.30	+1.00
		Mar	349.50	349.50	349.50	344.30	
362.50	264.50	Apr	349.00	351.50	340.00	347.00	+.80
366.50	273.00	Jul	353.00	354.50	345.00	351.00	+.50
369.00	55.20	Oct	356.40	359.00	355.80	355.30	+.50
371.00	347.00	Jan				359.50	+.50
Est. Sales 6,815 Prev. Sales 1,594							
Prev. Day Open Int. 14,853 off 454							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
127.50	90.00	Mar	97.00	97.00	93.50	96.00	+.60
114.00	91.50	Jun	98.50	98.50	96.75	97.30	+.60
115.00	94.00	Sep	99.50	99.50	99.00	98.55	+.60
110.50	94.25	Dec	100.00	100.00	100.00	99.80	+.60
Est. Sales Prev. Sales 125							
Prev. Day Open Int. 6,424 up 14							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
327.10	327.10	Jan				327.00	—2.00
485.50	306.00	Feb	329.80	331.10	328.00	328.90	—2.20
332.70	332.70	Mar				330.70	—2.20
496.80	314.70	Apr	333.20	334.90	331.50	332.70	—2.20
435.70	320.50	Jun	337.80	337.90	335.60	336.70	—2.20
428.40	328.00	Aug	341.80	341.80	341.30	340.80	—2.20
395.70	331.50	Oct	345.50	346.50	345.50	345.00	—2.20
393.00	336.50	Dec	350.80	351.10	348.50	349.20	—2.20
362.80	313.30	Feb	352.80	355.50	352.50	353.50	—2.20
388.40	346.30	Apr				357.70	—2.20
394.50	350.50	Jun				362.30	—2.20
385.00	356.00	Aug				367.10	—2.20
373.00	363.00	Oct	373.00	373.00	373.00	372.00	—2.20
Est. Sales 23,000 Prev. Sales 14,504							
Prev. Day Open Int. 132,243 up 841							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.36	86.60	Mar	93.20	93.21	93.15	93.18	—.02
93.30	87.01	Jun	93.15	93.15	93.08	93.10	—.03
93.06	88.00	Sep	92.93	92.97	92.91	92.93	—.04
92.74	89.05	Dec	92.65	92.72	92.65	92.69	
92.50	89.58	Mar	92.47	92.47	92.43	92.43	—.04
92.22	90.50	Jun	92.20	92.20	92.20	92.19	—.04
92.03	90.83	Sep	91.97	91.97	91.97	91.97	—.04
Est. Sales Prev. Sales 2,191							
Prev. Day Open Int. 33,263 off 184							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
93-11	75-14	Mar	92-24	93-1	92-17	92-22	—7
92-17	74-30	Jun	91-24	92-4	91-23	91-26	—8
91-17	80-7	Sep	91-6	91-6	90-31	91	—9
90-6	80-2	Dec				90-9	—9
Est. Sales Prev. Sales 2,705							
Prev. Day Open Int. 70,495 up 859							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
85-25	57-2	Mar	84-29	85-14	84-23	85	—7
84-25	56-29	Jun	83-31	84-13	83-24	83-31	—8
83-30	56-29	Sep	83-3	83-14	82-30	83-2	—10
83-8	56-25	Dec	82-10	82-21	82-6	82-8	—11
82-19	56-27	Mar	81-16	81-31	81-16	81-19	—11
82-1	63-12	Jun	80-29	81-11	80-29	80-31	—12
81-18	63-4	Sep	80-16	80-26	80-12	80-13	—13
81-7	62-24	Dec				79-29	—14
80-22	67	Mar	79-20	80	79-14	79-16	—14
80-10	66-25	Jun				79-4	—14
80-5	78-30	Sep				78-28	—14
Est. Sales Prev. Sales 34,611							
Prev. Day Open Int. 300,571 up 6,361							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
92-23	80-4	Mar	92-19	92-28	92-16	92-23	+7
91-24	79	Jun	91-20	91-31	91-19	91-27	+11
90-18	79-10	Sep				90-29	+11
88-26	88-20	Dec				89-31	+10
Est. Sales Prev. Sales 1,279							
Prev. Day Open Int. 14,071 up 281							
CERT. DEPOSIT (IMM) $1 million- pts of 100 pct							
92.73	86.56	Mar	92.56	92.56	92.52	92.52	—.04
92.51	86.43	Jun				92.39	—.05
92.36	87.86	Sep				92.18	—.05
91.88	88.34	Dec				91.92	
90.25	88.20	Mar				91.64	—.05
Est. Sales Prev. Sales 5,652							
Prev. Day Open Int. 25,082 up 24,145							
EURODOLLARS (IMM) $1 million- pts of 100 pct.							
92.44	86.10	Mar	92.25	92.26	92.18	92.20	—.05
92.34	86.73	Jun	92.15	92.15	92.06	92.08	—.05
92.09	87.08	Sep	91.91	91.92	91.87	91.87	—.05
91.79	87.28	Dec	91.64	91.65	91.61	91.61	
91.48	87.44	Mar	91.37	91.38	91.33	91.33	—.05
91.22	88.84	Jun	91.10	91.12	91.07	91.06	—.06
90.96	89.20	Sep	90.86	90.88	90.84	90.81	—.07
		Dec	90.62	90.62	90.62	90.58	—1.08
Est. Sales Prev. Sales 9,314							
Prev. Day Open Int. 121,537 off 375							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.4865	1.0680	Mar	1.4395	1.4515	1.4305	1.4505	+115
1.4755	1.1985	Jun	1.4250	1.4390	1.4185	1.4375	+115
1.4300	1.3785	Sep	1.4080	1.4080	1.4080	1.4150	
1.4550	1.1590	Dec	1.4100	1.4100	1.3980	1.4100	
Est. Sales 8,369 Prev. Sales 5,065							
Prev. Day Open Int. 24,564							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.7584	.6981	Mar	.7110	.7121	.7104	.7105	—9
.7360	.7070	Jun	.7100	.7100	.7089	.7088	—11
.7303	.7065	Sep	.7095	.7095	.7085	.7071	—14
.7568	.7045	Dec				.7054	
.7070	.7025	Mar				.7037	—18
Est. Sales 980 Prev. Sales 1,869							
Prev. Day Open Int. 13,929 up 1,066							
FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001							
.13130	.10985	Mar	.13115	.13200	.13115	.13300	+100
.13000	.12130	Jun				.13150	+100
		Sep				.13000	+100
Est. Sales 26 Prev. Sales 3							
Prev. Day Open Int. 134 up 3							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.4135	.3040	Mar	.4113	.4153	.4095	.4152	+32
.4169	.3335	Jun	.4148	.4188	.4131	.4185	+32
.4160	.3762	Sep	.4179	.4200	.4175	.4218	+31
.4156	.3800	Dec				.4257	
Est. Sales 26,382 Prev. Sales 14,848							
Prev. Day Open Int. 53,525 up 1,048							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.005018	.004035	Mar	.005036	.005052	.005022	.005048	+44
.005038	.004220	Jun	.005051	.005073	.005046	.005070	+45
.005052	.004690	Sep	.005072	.005072	.005072	.005093	+46
.004985	.004158	Dec				.005117	
Est. Sales 18,112 Prev. Sales 6,269							
Prev. Day Open Int. 28,058 up 943							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.4928	.3835	Mar	.4908	.4947	.4889	.4936	+28
.4976	.4190	Jun	.4960	.4997	.4938	.4985	+22
.4931	.4798	Sep	.5000	.5044	.4985	.5036	+26
.4925	.4015	Dec				.5060	
Est. Sales 19,003 Prev. Sales 7,789							
Prev. Day Open Int. 27,351 up 953							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 130,000 bd. ft.- $ per 1,000 bd. ft.							
187.00	133.60	Jan	146.00	146.00	143.60	144.30	—2.90
195.00	139.70	Mar	151.70	151.80	149.10	149.50	—3.70
176.40	145.20	May	156.30	156.60	154.70	154.90	—3.20
183.00	149.50	Jul	160.50	161.30	159.10	159.80	—2.60
176.00	152.90	Sep	162.60	163.70	162.30	162.70	—1.70
181.30	156.50	Nov	162.70	162.70	162.70	163.00	—1.90
171.00	166.00	Jan	167.30	167.10	167.10	167.10	—.40
Est. Sales 2,824 Prev. Sales 731							
Prev. Day Open Int. 6,383 up 34							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
76.75	58.77	Mar	61.91	62.30	61.79	62.28	+.22
70.80	58.90	May	61.80	62.40	61.75	62.32	+.26
70.85	57.70	Jul	58.70	58.70	57.95	58.13	—.76
65.50	50.60	Oct	50.90	50.90	49.75	49.75	—1.20
59.25	48.40	Dec	49.00	49.00	48.25	48.27	—.76
66.75	49.30	Mar	49.50	49.50	49.50	49.27	—.53
52.75	50.95	May				49.60	—.50
Est. Sales Prev. Sales 706							
Prev. Day Open Int. 21,748 off 106							
HEATING OIL (NYME) 42,000 gal- cents per gal							
90.15	70.00	Feb	76.40	76.40	75.10	75.20	—3.15
85.05	68.80	Mar	71.36	71.58	71.36	71.36	—2.00
80.30	65.55	Apr	66.50	66.75	66.50	66.50	—2.00
76.90	63.00	May	63.11	63.50	63.11	63.11	—2.00
75.39	62.50	Jun	62.00	62.35	62.00	62.10	—1.90
74.00	62.50	Jul	62.00	62.00	61.75	61.75	—2.00
74.15	61.95	Aug	61.45	61.90	61.45	61.90	—1.55
Est. Sales Prev. Sales 6,870							
Prev. Day Open Int. 31,172 off 417							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
30.43	24.25	Feb	25.90	25.96	25.20	25.55	—.75
29.68	24.10	Mar	24.75	24.80	24.29	24.58	—.71
29.45	23.57	Apr	23.95	24.00	23.50	23.76	—.74
28.35	23.30	May	23.35	23.40	22.95	23.20	—.75
27.86	22.95	Jun	22.90	22.90	22.53	22.80	—.73
27.53	22.95	Jul	22.65	22.78	22.28	22.46	—.74
27.23	.40	Aug	22.30	22.35	22.08	22.28	—.62
27.00	22.50	Sep	22.15	22.15	22.14	22.15	—.55
26.73	22.50	Oct	22.00	22.00	22.00	22.08	—.52
26.90	22.60	Nov	21.90	21.90	21.86	21.86	—.50
26.20	22.25	Dec	21.90	21.90	21.21	21.86	—.51
24.90	24.70	Feb				21.50	
Est. Sales Prev. Sales 7,179							
Prev. Day Open Int. 61,161 up 404							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
216.80	182.30	Mar	211.78	212.05	210.30	211.55	—.90
228.15	183.90	Jun	213.70	214.05	212.45	213.70	—.95
221.00	187.00	Sep	216.20	216.20	214.65	215.85	—.95
220.50	178.40	Dec				218.35	
Est. Sales 62,134 Prev. Sales 33,529							
Prev. Day Open Int. 62,879 off 5							
VALUE LINE (KCBT) points and cents							
220.30	190.50	Mar	218.05	218.50	216.75	218.45	+.05
221.80	197.00	Jun	220.75	220.75	219.60	221.05	—.25
226.40	200.05	Sep				222.55	—.25
226.80	224.00	Dec				226.05	—.25
Est. Sales Prev. Sales 3,140							
Prev. Day Open Int. 16,844 up 112							
NYSE COMP. INDEX (NYFE) points and cents							
125.05	105.50	Mar	122.05	122.25	121.20	121.95	—.45
126.40	106.90	Jun	123.25	123.45	122.50	123.38	—.45
127.40	108.10	Sep	124.65	124.65	123.30	124.65	—.45
127.00	124.85	Dec	125.80	125.80	125.80	126.00	—.45
Est. Sales Prev. Sales 6,532							
Prev. Day Open Int. 9,381 up 139							
MAJOR MKT INDEX (CBT) points and eighths							
299½	270¼	Jan	294½	294⅝	291½	292	—2⅝
297⅝	273¼	Feb	294	294⅜	292½	292⅝	—2½
300⅝	271	Mar	295⅝	295⅝	293⅜	293⅝	—2⅞
Est. Sales Prev. Sales 183							
Prev. Day Open Int. 534 up 34							

Commodity Indexes

	Close	Previous
Moody's	947.50 f	945.10 f
Reuters	1,775.50	1,770.60
D.J. Futures	133.45	132.33
Com. Research Bureau	229.10	229.20

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Currency Options

Jan. 2

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jan	Feb	Mar	Puts—Last Jan	Feb	Mar
12,500 British Pounds-cents per unit.							
BPound	130	r	r	14.40	r	r	0.20
145.94	135	r	r	9.90	r	r	0.45
145.94	140	r	r	6.50	r	0.90	1.30
145.94	145	1.50	2.00	3.30	1.05	r	r
145.94	150	0.10	0.90	1.30	r	r	r
50,000 Canadian Dollars-cents per unit.							
CDollr	70	r	r	r	r	r	0.23
71.30	72	r	r	0.29	r	r	r
62,500 West German Marks-cents per unit.							
DMark	37	3.84	r	4.18	r	r	0.05
41.21	38	r	r	3.42	r	r	0.07
41.21	39	2.25	r	2.64	0.01	0.08	0.13
41.21	40	1.03	1.45	1.75	0.04	r	0.38
41.21	41	0.38	0.85	s	0.15	0.58	0.84
6,250,000 Japanese Yen-100ths of a cent per unit.							
JYen	47	3.19	r	3.38	r	r	0.05
50.30	48	2.16	r	2.45	r	0.05	0.09
50.30	49	1.32	1.42	1.64	r	0.13	0.23
50.30	50	0.46	0.72	1.00	0.13	0.36	0.53
50.30	51	s	0.27	s	s	1.00	1.08
50.30	52	r	0.10	0.22	r	r	r
62,500 Swiss Francs-cents per unit.							
SFranc	44	r	r	r	r	r	0.04
48.94	45	r	r	r	r	0.03	r
48.94	46	2.66	r	3.40	r	r	0.18
48.94	47	1.96	r	2.30	0.02	0.17	0.30
48.94	48	1.08	r	1.80	0.07	0.45	0.51
48.94	49	0.35	0.94	1.30	0.41	r	0.94
		Feb	May	Aug	Feb	May	Aug
62,500 West German Marks-cents per unit.							
DMark	42	0.37	s	s	r	s	s

Total call vol. 11,402 Call open int. 179,354
Total put vol. 12,142 Put open int. 135,083
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

Paris Commodities

Jan. 2

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Mar	1,295	1,275	1,276	1,277	Unch.
May	1,320	1,308	1,303	1,306	+4
Aug	1,390	1,380	1,375	1,385	+10
Oct	1,420	1,415	1,418	1,415	+8
Dec	N.T.	N.T.	1,425	1,435	—2
Mar	1,520	1,520	1,505	1,520	+6
Est. vol.: 900 lots of 50 tons. Prev. actual sales: 607 lots. Open interest: 31,831					
COCOA French francs per 100 kg					
Mar	1,930	1,940	1,935	1,940	+20
May	N.T.	N.T.	1,950	—	+35
Jly	N.T.	N.T.	1,960	—	+35
Sep	N.T.	N.T.	1,970	—	+35
Dec	N.T.	N.T.	1,970	—	+35
Mar	N.T.	N.T.	1,980	—	+35
May	N.T.	N.T.	1,980	—	New
Est. vol.: 54 lots of 10 tons. Prev. actual sales: 0 lots. Open interest: 342					
COFFEE French francs per 100 kg					
Jan	2,960	2,900	2,965	3,000	+252
Mar	3,090	2,933	3,061	3,070	+272
May	N.T.	N.T.	2,990	—	+150
Jly	N.T.	N.T.	3,100	—	+150
Sep	3,180	3,180	3,180	—	+150
Nov	N.T.	N.T.	3,190	—	+150
Jan	N.T.	N.T.	3,190	—	+150
Est. vol.: 400 lots of 5 tons. Prev. actual sales: 41 lots. Open interest: 445					

Source: Bourse du Commerce.

London Commodities

Jan. 2

	High	Low	Close Bid	Close Ask	Previous Bid	Previous Ask
SUGAR Sterling per metric ton						
Mar	151.40	148.00	148.20	148.40	149.80	149.40
May	156.40	153.00	153.00	153.40	154.20	154.60
Aug	162.00	160.60	159.00	159.40	159.40	159.60
Oct	165.80	164.60	163.00	163.60	163.60	164.00
Volume: 1,856 lots of 50 tons.						
COCOA Sterling per metric ton						
Mar	1,795	1,770	1,791	1,792	1,776	1,777
May	1,807	1,780	1,804	1,805	1,784	1,785
Jly	1,818	1,792	1,815	1,816	1,796	1,798
Sep	1,828	1,807	1,825	1,830	1,808	1,810
Dec	1,834	1,815	1,833	1,835	1,814	1,815
Mar	1,845	1,840	1,843	1,848	1,824	1,830
May	N.T.	N.T.	1,850	1,878	New	—
Volume: 2,813 lots of 10 tons.						
COFFEE Sterling per metric ton						
Jan	2,848	2,725	2,820	2,830	2,675	2,690
Mar	2,930	2,740	2,890	2,900	2,730	2,740
May	2,975	2,845	2,945	2,950	2,790	2,795
Jly	3,035	2,900	3,000	3,005	2,850	2,860
Sep	3,083	2,945	3,045	3,060	2,920	2,940
Nov	3,110	2,980	3,080	3,090	2,955	2,960
Jan	3,100	3,015	3,050	3,130	2,950	3,000
Volume: 10,379 lots of 5 tons.						
GASOIL U.S. dollars per metric ton						
Jan	241.00	234.75	238.00	238.50	242.25	242.75
Feb	233.75	227.50	229.50	230.00	236.00	236.00
Mar	223.25	217.00	218.00	219.00	225.50	226.00
Apr	209.00	203.00	207.50	208.00	213.00	213.25
May	201.00	199.50	200.00	201.00	204.00	204.50
Jun	196.00	195.00	195.50	196.25	201.25	201.50
Jly	196.00	193.00	194.50	195.50	201.00	202.00
Aug	195.00	194.50	194.75	195.00	200.00	201.00
Sep	N.T.	N.T.	198.00	197.00	198.50	205.00
Volume: 2,362 lots of 100 tons.						
CRUDE OIL (BRENT) U.S. dollars per barrel						
Feb	N.T.	N.T.	24.10	24.90	25.03	25.89
Mar	N.T.	N.T.	23.10	23.90	24.20	25.20
Apl	N.T.	N.T.	22.20	23.25	23.02	24.45
May	N.T.	N.T.	22.00	23.00	22.02	24.45
Jun	N.T.	N.T.	21.50	23.00	22.00	24.02
Jly	N.T.	N.T.	21.50	23.00	22.00	24.50
Volume: 0 lots of 1,000 barrels.						

Sources: Reuters and London Petroleum Exchange (gasoil, crude oil).

Asian Commodities

Jan. 2

SINGAPORE GOLD FUTURES
U.S.$ per ounce

	High	Low	Settle	Prev. Settle
Feb	330.00	330.00	330.00	329.20
Mar	N.T.	N.T.	332.00	331.20
Apl	N.T.	N.T.	333.80	333.00

Volume: 0 lots of 100 oz.

KUALA LUMPUR RUBBER
Malaysian cents per kilo

	Close Bid	Close Ask	Previous Bid	Previous Ask
Feb	178.50	179.50	178.50	179.50
Mar	179.50	180.50	179.50	180.50
Apl	182.00	183.00	182.00	183.00
May	184.00	185.00	184.00	185.00
Jun	186.50	187.50	186.50	187.50

Volume: 0 lots.

SINGAPORE RUBBER
Singapore cents per kilo

	Close Bid	Close Ask	Previous Bid	Previous Ask
RSS 1 Feb	154.50	155.00	153.50	154.00
RSS 1 Mar	154.50	155.00	New	—
RSS 2 Feb	150.50	151.50	New	—
RSS 3 Feb	148.50	149.50	New	—
RSS 4 Feb	144.50	146.50	New	—
RSS 5 Feb	139.50	141.50	New	—

KUALA LUMPUR PALM OIL
Malaysian ringgits per 25 tons

	Close Bid	Close Ask	Previous Bid	Previous Ask
Jan	750	760	780	790
Feb	775	785	803	805
Mar	790	810	800	820
Apl	800	825	815	855
May	790	825	805	845
Jun	780	815	795	835
Jly	780	815	795	835
Sep	770	805	785	825
Nov	770	805	785	825

Volume: 12 lots of 25 tons.
Source: Reuters.

London Metals

Jan. 2

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM Sterling per metric ton				
Spot	765.00	767.00	761.00	761.50
Forward	791.00	792.00	785.00	786.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	958.00	960.00	971.50	972.00
Forward	982.50	983.00	993.00	994.00
COPPER CATHODES (Standard) Sterling per metric ton				
Spot	940.00	944.00	952.00	956.00
Forward	970.00	972.00	980.00	983.00
LEAD Sterling per metric ton				
Spot	263.00	264.00	262.25	262.75
Forward	273.50	274.00	272.50	273.00
NICKEL Sterling per metric ton				
Spot	2840.00	2850.00	2820.00	2825.00
Forward	2890.00	2895.00	2860.00	2862.00
SILVER Pence per troy ounce				
Spot	394.00	395.00	404.50	405.50
Forward	406.00	407.00	416.00	417.00
TIN (Standard) Sterling per metric ton				
Spot	Susp.	Susp.	—	—
Forward	Susp.	Susp.	—	—
ZINC Sterling per metric ton				
Spot	463.00	467.00	470.00	471.00

Source: AP.

Cash Prices

Jan. 2

Commodity and Unit	Thu	Year Ago
Coffee 4 Santos, lb	1.98	1.38
Printcloth 64/30 38 ½, yd	0.72	0.78
Steel billets (Pitt.), ton	473.00	473.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	73-74	81-82
Lead Spot, lb	18-19	20-23
Copper elect., lb	69-72	64½-67
Tin (Straits), lb	N.A.	—
Zinc, E. St. L. Basis, lb	0.35	0.45
Palladium, oz	93-94	129-132
Silver N.Y., oz	5.73	N.A.

Source: AP.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

Jan. 2

Strike Price	Calls-Settle Mar	Jun	Sep	Puts-Settle Mar	Jun	Sep
40	1.78	2.40	2.86	0.27	0.41	0.79
41	1.09	1.77	2.26	0.57	0.95	1.13
42	0.61	1.25	1.73	1.09	1.39	1.56
43	0.34	0.89	1.30	1.81	2.02	—
44	—	0.60	—	—	—	—

Estimated total vol. 10,006
Calls: Tue. vol. 4,306 open int. 32,132
Puts: Tue. vol. 2,433 open int. 24,474
Source: CME.

U.S. Treasuries

Jan. 2

	Discount Offer	Bid	Yield	Prev. Yield
3-month bill	7.10	7.08	7.33	7.27
6-month bill	7.13	7.11	7.50	7.44
1-year bill	7.13	7.11	7.63	7.59
	Bid	Offer	Yield	Prev. Yield
30-yr. bond	105 31/32	106 1/32	9.28	9.27

Source: Salomon Brothers.

Merrill Lynch Treasury index: 138.13
Change for the day: — 0.12
Average yield: 8.68 %
Source: Merrill Lynch.

S&P 100 Index Options

Jan. 2

Strike Price	Calls-Last Jan	Feb	Mar	Apr	Puts-Last Jan	Feb	Mar	Apr
175	30	—	—	—	1/16	1/16	—	—
180	24⅝	25⅝	26	—	1/16	1/16	¼	—
185	19⅝	20⅝	21½	—	1/16	3/16	½	—
190	14⅝	15⅝	16⅝	—	1/16	9/16	15/16	—
195	9⅞	11	12⅝	13⅝	¼	1⅛	1⅞	2⅝
200	5½	7⅛	8⅝	9½	15/16	2 9/16	3⅝	4
205	2 7/16	4⅝	5⅝	6⅝	2⅝	4⅝	5⅝	6⅝
210	15/16	2 9/16	3⅝	4⅝	6⅝	8	8⅝	—
215	¼	1⅛	2 1/16	3⅛	11⅛	11⅝	12	—
220	1/16	½	1	1⅛	—	—	—	—

Total call volume 165,613
Total call open int. 467,876
Total put volume 115,582
Total put open int. 617,469
Index:
High 206.03 Low 203.59 Close 204.79 — 1.83
Source: CBOE.

Dividends

Jan. 2

Company	Per	Amt	Pay	Rec
INCREASED				
Amer. Water Works	Q	.38	2-14	1-31
Scott Paper Co	Q	.32	1-31	1-17
SPECIAL				
Battek Corp	—	.05	1-31	1-17
STOCK SPLIT				
First Federal S&L — 5-for-4				
USUAL				
Grace (W.R.)	Q	.70	3-10	2-6
Methode Electr. cl-A	Q	.018	1-31	1-15
Methode Elect. cl-B	Q	.01½	1-31	1-15
Prod. Operators	Q	.04	2-14	1-31
United Federal Bank	Q	.16	2-3	1-15

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

NYSE Highs-Lows

NEW HIGHS 88

AGS Cptr	AmBdcst	AmBusPrd	AmHeritLf
AmerTrScore	ApPw 380pf	AVEMCO	BkBoston
Banner Ind	Baldw Ham	BevlmyPr n	BkHillPw
Boeing s	CIGNA Cp	CP Natl	CapitHld s
Cecoind	Celon pfA	CenMePw	CentVtPS
CinG 744pf	CinG 744pf	ClevElec	CoastlCp pfB
ColSO 1525p	ConEdisn	ConEd 6pfB	Cooplnd pfB
CorroonB	Culbro	DetE 745pf	DetE 736pf
DianaCp	Divers Ind	EQK Rty n	EaglePch
Electrospce	FtBnkFla s	FstPenna pf	GenCorp
GreenTree	HanJhn Sec	Hornischfo	Hornsfdor pf
Harsco	Hartmarx	Hilenbrand	HouseIntl
ICN Pharm	ITT Cp pfK	Intelogic n	IntrstBakr
IrvngBk	JamesRiver	JerC 1350pf	KN Engn
Keycorp	LeggPlatt	Litton pfB	LomasMtg n
Merck Co	MesaPet n	Mestek	NSPw 784pf
OhPw 848pf	Oxfordind	PaPL 800pr	Primark s
PSNH 425pfC	PSEG 770pf	Rayonier n	RylandGp
SargWel Sci	SCANA	Teledyne	Thom Ind
TolEd 347pf	Transco pf	Unit Illum	UnileverPlc
Unilevr NV	Un Carbide	VaEP 720pf	UtdMerMfg
UtdWater	VaEP 860pf		WiscPw Lt

NEW LOWS 7

BkBos adj pf	CBS Slrine	GnMotr H n	SmithIntl
SnyderOil	SfOOh pfA	TranscoExp	

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SCORPIO SCARAB GEMINI

Conference Board Finds Positive View of U.S. Among Business Leaders

The Associated Press

NEW YORK — U.S. business leaders acquired a more positive attitude about the economy in the closing months of 1985, according to a Conference Board survey released Thursday.

The nonprofit research and educational concern said that its measure of business confidence registered 55 in the fourth quarter of last year, up from 51 in the third quarter and 52 in the second.

The improved reading in the confidence barometer was based on responses from about 1,000 executives across a wide spectrum of the business community who were asked to appraise current and future economic conditions. It is computed on a scale of zero to 100, with 100 the best reading.

One-third of those surveyed reported an improving business climate, up from one-fifth in the previous poll. The number of executives experiencing deteriorating conditions was cut to one-fifth from two-fifths of the survey sample.

Trading Rule Loosened By Singapore Exchange

Reuters

SINGAPORE — The Stock Exchange of Singapore said Thursday that trading of shares on an immediate-delivery basis will end and transactions on ready basis will resume from Monday. Its announcement did not give reasons for the decision.

The SES imposed its immediate-delivery ruling when trading resumed Dec. 5 after a three-day suspension imposed after Pan-Electric Industries Ltd. went into receivership.

Under the immediate-delivery rule, all share transactions must be settled within 24 hours, while on ready basis transactions may be settled within seven days.

Norway Vows Increase In Exploration for Oil

Reuters

OSLO — The Norwegian government has said that it may step up oil exploration to compensate for disappointing drilling results from a North Sea field, the so-called gold block, originally thought to contain major crude oil reserves.

Kare Kristiansen, the petroleum and energy minister, said Tuesday that Norway needs more oil fields to produce in the 1990s. The Organization of Petroleum Exporting Countries has criticized Norway, a nonmember, for overproducing. Norway's crude oil production is about 850,000 barrels per day, but is scheduled to rise to 1 million barrels per day later this year and to about 1.5 million barrels per day in 1987.

هكذا من الاصل

BUSINESS ROUNDUP

China and GEC Agree On Nuclear Generators

The Associated Press

BEIJING — China and General Electric Co. of Britain have reached agreement on a £250-million ($360-million) contract to build turbines for the Daya Bay nuclear power station in southern China, officials said Thursday.

A memorandum of understanding was signed Tuesday in Beijing after months of negotiations.

Agreement with GEC on conventional turbine generators followed Dec. 21 and 22 price accords with the French companies Framatome and Electricité de France, which will manufacture the pressurized-water reactors and basic plant technology.

Technical details still have to be settled and letters of intent on the 1,800-megawatt plant are not expected until March, according to Chen Weijing, chief engineer at the Bureau of Nuclear Power Industry.

"As for the money involved, we both have decided that it is a secret," Mr. Chen said.

Officials have indicated previously that the nuclear equipment would cost about $1.5 billion, and the overall cost of the station would be $3.5 billion.

It will be China's largest nuclear power station, transmitting 70 percent of its electricity to Hong Kong and the rest to China's Guangdong province.

One diplomat said that Deputy Prime Minister Li Peng of China, a former electrical power engineer, "has been the locomotive of the project.

Talks on the Daya Bay plant, located near the Hong Kong border, had reached a stalemate last July and deadlocked again after resuming on Oct. 10. But the British and French governments, both eager to expand commercial ties with China, intervened to help the contractors with financing.

Mr. Li broke the stalemate during talks in Paris last month.

"The next step is to negotiate the technical details. It is expected that letters of intent will be signed in March," Mr. Chen said. Formal contracts are anticipated six months after that, following government approval.

Technical details include delivery dates, transport and other arrangements, taking into account fewer equipment options resulting from reduced prices.

Daya Bay is being built by the Guangdong Nuclear Power Joint Venture Co., a partnership between the Chinese government and China Light & Power Co. of Hong Kong.

VW Subsidiary In Brazil Reports Loss in 1985

Reuters

WOLFSBURG, West Germany — Volkswagen do Brasil SA, which is 80 percent owned by Volkswagen AG, had a provisional after-tax loss in 1985 of about 75 million Deutsche marks ($30.5 million), compared with after-tax profit of 45 million DM a year earlier, a Volkswagen spokesman said Thursday.

The VW spokesman said the 1985 figure for Volkswagen do Brasil was a first estimate. Final figures probably will be announced at the subsidiary's annual meeting in March, he said.

VW had said earlier that the subsidiary should be a major contributor to an expected increase in world group revenue in 1985. It forecast a 15-percent increase in total car sales, including exports, to 330,000 in 1985. The Brazilian unit increased domestic truck sales to more than 8,100 in the first 10 months of 1985 after selling 6,000 in the full year 1984.

Volkswagen do Brasil was hit by a 50-day metalworkers' strike in April and May of last year.

TWA Machinists Reach New Pact With Carl Icahn

New York Times Service

NEW YORK — The Trans World Airlines' machinists union has reached an agreement for a new contract with Carl C. Icahn, clearing the way for the New York investor to gain control of the carrier.

Brian Freeman, an attorney who represents the International Association of Machinists and Aerospace Workers, said that Mr. Icahn was expected to gain control of the airline in a matter of days.

The machinists became the last major obstacle when they sought changes in an agreement they had reached earlier with Mr. Icahn that provided concessions totaling about 17 percent annually in wages and benefits.

Mr. Freeman said that in the agreement reached Wednesday those concessions remained intact. The new agreement, however, does put tighter restraints on Mr. Icahn's ability to sell off the airline's assets once he gains control, he said.

Mr. Icahn won the agreement to buy TWA through the help of its unions, which agreed in August to wage and benefit concessions. But those agreements became subject to renegotiation after Mr. Icahn had to change his purchase terms.

Japan's Electronics Industry Is Looking to New Products

By Philippe Ries
Agence France-Presse

TOKYO — The video recorder, the onetime pacesetter of Japan's electronics industry, is losing momentum and forcing makers to look to new products and markets, industry executives are saying.

Exports of video-cassette recorders plunged 21 percent in November from the level of the same month in 1984, customs statistics show. The U.S. market, which absorbs 60 percent of Japanese exports, cut its intake by 23.6 percent despite a price war that ate into manufacturers' profits.

Sales to China have dropped sharply because of the decline in Beijing's foreign-exchange reserves, while exports to the European Community remain sluggish. The home market is equally depressed.

The Osaka factories of Matsushita Electric Industrial Co., Japan's leader in the home-electronics field, are currently operating at 70 percent of capacity.

The lag was at least partly the result of the company's plans, announced Dec. 12, to enter the market for the new 8mm video format, which uses tape about the size of an audio cassette, aimed at replacing the old 12.65mm (half-inch) standard.

Sony Corp. began selling 8mm recorders with built-in cameras last January and followed up in September with the even more sophisticated System 8. The group expects to sell 1.5 million units in the year ending November 1986, up from 400,000 last year.

With 128 manufacturers, including all the Japanese makers, already agreed to make 8mm the world standard, some analysts say it is only a matter of time before the new recorder starts to take over the market.

Matsushita's subsidiary JVC used 12.65mm tape in the VHS format that it put up against Sony's Betamax and Philips NV's V-2000. So the parent company sought to delay introduction of the new standard as long as possible.

A total of 27 million Japanese video recorders were built using 12.65mm tape in the 1984 fiscal year that ended in March. Four-fifths were VHS.

"Marketing an 8mm video now could be interpreted as a sign of Matsushita's pessimism in the future of VHS," Michizo Murase, director of Matsushita Electric, said in September.

The success of Sony, Sanyo Electric Co., Aiwa Co. and other makers with the 8mm recorder convinced Matsushita to jump on the bandwagon. Hitachi and Toshiba Corp. are waiting to follow suit.

But for the moment there is little competition for Sony, whose sales of high-priced 8mm VCRs were largely responsible for a record before-tax profit of $450 million in the year ending Oct. 31.

COMPANY NOTES

Amatil Ltd. said it had bought Coca-Cola Co. franchises for Australia's most-populous areas in a 107.2-million-dollar ($72.9-million) transaction with Bond Corporation Holdings Ltd. Amatil already holds 50 percent of the Australian market for the soft drink.

Australia & New Zealand Banking Group Ltd. said it has merged its merchant banking activities in London under the new name of ANZ Merchant Bank Ltd. The new subsidiary will bring together the international investment banking activities of Grindlay Brandts Ltd. and the London stockbrokerage of Capel-Cure Myers.

Champlin Petroleum Co., a wholly owned subsidiary of Union Pacific Corp., has confirmed that it signed a "netback" agreement — one in which the price is based on the value of products refined from the oil — to buy crude oil from Saudi Arabia.

Charter Co.'s creditors would be paid 79 cents on the dollar in cash, marketable debt securities and stock, under a bankruptcy plan submitted to a U.S. court in Jacksonville, Florida. Lawyers said the plan would provide $474 million in value for claims of about $600 million against the former oil and insurance concern and its subsidiaries.

Coca-Cola Co. said it will realize a gain of $38 million from the sale of two of its corporate units, Presto Products Inc. and Winkler-Flexible Products Inc. to an investment group headed by E.O. Gaylord. Terms of the sale were not disclosed.

Eastman Kodak Co. of Rochester, New York, said that it plans to buy the capital stock of Baso Precision Optics Ltd. of Taiwan, a unit of Precision Lens Inc. Baso makes precision optical elements used in large-screen video projections systems.

***Industrial Equity Ltd.** of Sydney* said it has acquired 41.5 percent of Australian Gas Light Co. of New South Wales. IEL's announcement that it spent 103.21 million Australian dollars ($70.2 million) for 19.52 million shares came only a *few hours before new state legislation* went into effect prohibiting one party from controlling more than 5 percent of AGL's stock.

Unilever PLC said it had taken full ownership of its frozen products and ice cream businesses in Austria, West Germany and Italy. The businesses were formed in 1970 from a merger of the operations with those of Nestlé SA, with Unilever taking a 75-percent stake of the joint companies and Nestlé the remainder.

Walt Disney Productions's new management team has recommended to shareholders a name change to The Walt Disney Co. to reflect the Burbank, California, company's diversified holdings. Shareholders will vote on the proposal at the Feb. 6 annual meeting.

CURRENCY MARKETS

Dollar Closes Sharply Lower in U.S.

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed sharply lower in the United States on Thursday in moderate but thin trading after it failed to stage a convincing rebound from recent heavy losses.

Dealers said that bearish sentiment, based largely on a conviction that U.S. interest rates will continue to decline early this year, kept a firm grip on the dollar.

"We saw a number of new short positions established for the dollar today," said one New York bank dealer. "That should indicate its direction for the next month or so."

But some dealers noted a growing belief that the recent sell-off has been overdone and look for the dollar to firm next week on a technical basis if nothing else. They noted that with Japanese and Swiss markets closed and many senior traders still on holiday, trading remained thin.

One dealer, noting that Federal Reserve Board officials have expressed concern over the possibility of a free fall in the dollar, said the sharp fall this week could even delay a cut in the benchmark U.S. discount rate.

In New York, the dollar dropped more than two pfennigs from its year-end close, to 2.4255 Deutsche marks from 2.4470. It also fell to 198.65 yen from 201.15, marking its first close under 200 yen since 1979; to 2.0395 Swiss francs from 2.0575 and to 7.4435 French francs from 7.5000.

The British pound rose to $1.4580 from $1.4465.

In earlier trading in Europe, meanwhile, a sudden late sell-off also pushed the dollar lower.

The U.S. currency had opened lower in Europe, entering 1986 at some of its lowest levels in 2½ years, before rebounding during the day to above its Tuesday closing levels.

But just before business in London ended, traders, disappointed with the dollar's performance against the mark, began selling the American currency.

"People anticipate that the dollar is going to come under a great deal of pressure," said one senior trader of a major British bank.

In London, the dollar ended at 2.4380 Deutsche marks, down 2 pfennigs from a high of 2.4560 and up fractionally from its opening 2.4350. It also recovered to 199.05 against the yen from an opening 198.80 and to $1.4503 against the British pound from $1.4610.

In other European markets Thursday, the dollar was fixed at midafternoon in Frankfurt at 2.4430 DM, down from 2.4613 at the Tuesday fixing, and at 7.5050 French francs in Paris.

(Reuters, AP, IHT)

THE EUROMARKETS

Dutch Market Issues Floating-Rate Note

Reuters

LONDON — The Eurobond market ended generally unchanged Thursday after a quiet day's trading in which most professional operators held back from opening new positions, dealers said.

"There's still not enough people interested in trading for it to be called a normal market," a floating-rate-note trader at a European house said.

He said that he expected activity, both in the primary and the secondary market, to increase substantially next week.

One new issue was launched Thursday, a five-year note for Société Nationale des Chemins de Fer Belges that pays the three-month *London interbank offered rate.* The issue is noncallable and is available in registered form only, being guaranteed by the Kingdom of Belgium. It was quoted on the when-offered market comfortably within the total fees of 30 basis points at 99.89. The lead manager was Merrill Lynch Capital Markets.

The Dutch market saw the issue of its first floating-rate note, certificates of deposit and commercial paper Thursday after measures to deregulate the capital market became effective Jan. 1.

Security Pacific Corp. issued a 250-million-guilder floater paying ¼ point over six-month Libor with a maximum coupon of 8 percent. Amsterdam-Rotterdam Bank NV was lead manager.

Algemene Bank Nederland NV said it would start issuing certificates of deposit up to a total maximum of 500 million guilders starting Thursday.

National Semi Has Loss in First Half

Reuters

SANTA CLARA, California — National Semiconductor, one of the world's largest manufacturers of computer components, reported on Thursday a loss for the first half and attributed it to reduced demand and lower prices for semiconductors.

The company said it had losses of $88.3 million in the first half, which ended Dec. 15, compared with a profit of $44.4 million a year earlier. Sales for the half amounted to $782.7 million, an 18.8-percent decline from $964.4 million.

National Semiconductor's misfortunes reflect the dramatic decrease in sales of personal computers in the past 18 months, according to Blake Childs, a securities analyst with Bateman Eichler, an investment brokerage company. Consequently, the market in semiconductors slumped and a number *of companies were forced to close* plants, Mr. Childs said.

A Test for New Sunglasses

(Continued from Page 11)

ly reflected and some goes through the oil, is reflected off the top of the water and travels back up through the oil. By the time it reaches the eye, *this second part of the beam* has traveled a longer distance than the first, so the two parts might no longer be in phase. That depends on the thickness of the oil and the wavelength of the light. If the parts of the reflected beam are in phase, they will reinforce each other and that particular color will show up in the oil slick. For other colors, the two reflected beams would not be in phase and would cancel each other out.

Revo glasses are coated with more than 25 different layers, each a few millionths of an inch thick. The layers themselves are clear, but light is reflected off the boundaries. Certain wavelengths will be reflected and others transmitted in a process that can be fine-tuned. Mitch *Ruda, an optical physicist* who invented the glasses, says that 100 percent of infrared and ultraviolet rays can be screened out while the rest of the colors will show up in a manner close to their true proportions.

The reflection also causes the glasses to appear from the outside to be iridescent orange, violet or blue. But the wearer of the glasses does not see orange or violet, but a slightly yellow tinge.

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Hong Kong Garment Makers Adjust to U.S. Rules

(Continued from Page 11)

and those that do not, said Geoffrey J. Mansfield, head of a Citibank unit that finances many leading garment makers here.

"The quotas have enabled people to make investments with certainty that their goods can be exported to the United States and the European Economic Community," Mr. Mansfield said. Small manufacturers must then focus on such nontraditional fabrics as ramie cotton that are not covered in existing trade agreements.

This system has in turn spawned a brisk business in the buying, selling and renting of quotas, with about 2,000 brokers dealing in quotas, according to Hong Kong businessmen.

Those manufacturers with quotas have thrived, making investments such as Mr. Fang's and in the process becoming even more competitive with U.S. manufacturers, said Lawrence Mills, director general of the Federation of Hong Kong Industries and a former knitwear manufacturer.

Now, Mr. Fang says, most of the clothing produced in Hong Kong is for the high end of the market — and, he maintains, of better quality than U.S.-made goods.

"We are not selling a price item," said Mr. Fang, whose Fang Bros. Knitting Co. employs 1,500 and had sales of $50 million last year.

"Clothes in Hong Kong are better-made," he said. "We are willing to accept smaller orders which American manufacturers do not like to handle. We will manufacture whatever they want to buy, while many Americans want to sell what they manufacture."

As with Japanese cars, quotas have forced up the prices of Hong Kong textiles and helped assure healthy profits for successful manufacturers, Mr. Mills said.

Despite the incremental benefits, the threat of further protectionism remains a real one, and substantive changes in the current system could indeed hurt the industry, manufacturers said.

"We know that the veto doesn't mean the issue is over," Mr. Fang said. Still to come this summer are negotiations over a new Multi-Fiber Agreement, the basic rules under which the international textile trade now operates. Members of Congress have threatened to revive the issue if the negotiations do not go well.

"Facing Armageddon is a powerful stimulant to cooperate in negotiations," Mr. McGregor said. Were Hong Kong's share of the total quotas to be reduced, for example, manufacturers such as Mr. Fang who have made large investments would suffer.

If the Multi-Fiber Agreement grows stricter and includes heretofore unrestricted fabrics, many smaller manufacturers will be forced out of business, officials here predicted. "The rules don't have to be fair, just consistent," said a banker.

The threat of protectionist measures hits particularly hard this year because it has not been a good one for trade in general. Clothing and other textile exports dropped 8 percent from January through October from the year-earlier period. A Hong Kong banker predicted that garment makers among his clients would see 25-percent declines in their profits this year. Inevitably, smaller manufacturers will be squeezed out, he said.

In light of the continuing protectionist pressure, there has been much discussion in Hong Kong about whether Hong Kong should step up its lobbying efforts. Officials such as Mr. McGregor point out hotly that it is unfair to put Hong Kong in the same category as other Asian nations because it is a completely free port, with no trade restrictions and no protection for any industry. The message, some manufacturers fear, is not getting across to the U.S. Congress.

AT&T Lowers Overseas Rates

The Associated Press

NEW YORK — American Telephone & Telegraph Co. on Thursday lowered prices for phone calls to 32 countries and territories by an average of 10.1 percent.

The decreases range from a high of 18.1 percent on calls to Nigeria, South Africa and Namibia to a low of 5.2 percent on calls to Mexico. Calls to most of Western Europe, excluding Portugal, were cut 10.7 percent. The decrease for Britain is 12.8 percent.

As an example of the price cuts, AT&T said a 10-minute *call to Paris placed between 6* P.M. and 7 A.M. on the East Coast of the United States, an off-peak period, now costs $7.01 instead of $7.87.

Bankers, Officials Predict Slowing of Reform in China

Reuters

BEIJING — China will slow the pace of its economic reform in 1986, continue tight restriction on imports, emphasize export growth and borrow more funds abroad, diplomats, foreign bankers and Chinese leaders are predicting.

Their opinion concurs with a major speech last month by Prime Minister Zhao Ziyang. He said China would consolidate, digest and perfect the results of 1985 reforms rather than make new moves.

No major price reforms will be introduced in 1986, and fixed-asset investment will remain near the 1985 level in 1986 and also in 1987.

Fixed-asset investment may increase in 1988 to 1990, sources said.

"China has instituted far-reaching reforms over the last year, which have affected the economy widely," a Western diplomat said. "Its course this year will be to correct imbalances created, but not to roll back any reform."

One major imbalance is a foreign-trade deficit, which he and foreign bankers put at $5 billion in 1985. China reported a trade deficit of $4.4 billion in the first nine months of 1985, after a $1.1-billion deficit in all of 1984.

"Tight controls on foreign-exchange spending, which began in the second quarter of 1985, will continue till at least the third quarter of 1986," a U.S. banker said. He added that the imports most affected by restrictions would be consumer goods and purchases for projects outside the state plan.

The diplomat said China would find it difficult to increase export earnings substantially because of falling prices for its oil and agricultural commodities and protectionism against its textile exports.

The banker said China would borrow more abroad in 1986 than the estimated $3 billion it borrowed in 1985, because its issues last year of bonds in Europe and Asia were very successful.

Last year's domestic reforms reduced central control of the economy, the sources said, but also helped produce excessive growth in fixed investment and bank loans and led to the fastest rise in food prices since 1949.

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GROUPE REDOUTE

Extracts from the Letter to Shareholders from Mr. Patrick POLLET, Chairman and Managing Director

Roubaix, 6 December 1985

During a period in which the general economic situation provided no more encouragement for consumer spending than in the preceding two years, particularly where textile goods were concerned, the Redoute group nevertheless achieved further growth during the 1985 Spring/Summer season.

This growth was particularly evident in mail-order sales and in general and specialized clothing, both in France and Italy.

There were other reasons for satisfaction during this first half-year: the confirmed commercial success of the Prénatal networks in Italy and Spain, as well as the steady progress being made by Finarel.

This promising picture is nonetheless slightly tarnished by the commercial difficulties encountered by the Prémaman group (particularly the maternity wear network in France), Editions Rombaldi in their brokerage activities and the German network of Prénatal.

Taking into account the business activity and results achieved by La Redoute S.A., the Redoute group's consolidated turnover for the first half-year amounted to 4.9 billion francs (+ 15.5% on a comparable basis) and net profits to 28 million francs (+ 12.4%).

At 30 November 1985, consolidated sales reached 8 billion francs (+ 13.3% on a comparable basis).

If the targets for the last three months of the financial year are achieved, this rate of growth will be maintained or even improved and will be accompanied by an increase in profits, about which it is difficult to be more precise due to the measures we are currently taking to turn round some of our companies.

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Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
8¾	5⅜	YankCo			18	53	6⅝	6⅜	6¾	+ ⅛
8¾	3⅝	Zimer				36	5¼	5	5¼	+ ¼

Black Gold and Yellow — the New Boom

When oil was speculatively popular five and six years ago, the pundits liked to call it black gold. Many thought it would run to $100 per barrel with bullion climbing to the $thousands per oz. At Indigo we feel the pundits were right – for the long term. As market technicians, however, we know something about the importance of expressing positive theories only at times when conditions have induced the general public to run the wrong way. Through much of 1985 the public was being induced to abandon gold and oil in order to chase the dollar. So as the dollar peaked, by our calculations, we were ready to start recommending oil and gold shares – and future-delivery contracts – that were being abandoned as analysts whose heads had been in the clouds in 1980 became mired in the mud of negative conditioning. Our New Year's report will include detailed oil and gold price projections along with coverage of technologies expected to resurge with the energy and precious-metals markets. We'll make it your first in a complimentary series of "Discovery" reports if you'll complete and return the coupon.

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Nigeria Loosens Currency Rules

Compiled by Our Staff From Dispatches

LAGOS — Nigeria is to give domestic commercial banks access to foreign exchange at a rate to be determined by market forces, Finance Minister Kalu I. Kalu said here Thursday.

In a news conference to discuss the country's 1986 budget, Mr. Kalu said the new system would provide for "market-regulated transactions of foreign exchange by domestic commercial banks."

"Exchange rates and rates of interest in these transactions will be unregulated but permitted to reflect market forces," he said.

Until now, anyone exchanging the country's currency, the naira, at any rate without going through the central bank could incur a five-year jail sentence.

The move appeared aimed at loosening the constraints on Nigeria's heavily indebted economy, which is dependent on oil and has been subject to stringent exchange controls in recent years.

Mr. Kalu also said Thursday that after having put a ceiling on its foreign-debt repayments, Nigeria would have to meet with creditors to reschedule the debt. The decision to hold debt repayment to 30 percent of its export revenues makes Nigeria the second big debtor after Peru to impose a ceiling unilaterally without creditor agreement.

AMEX Highs-Lows

NEW HIGHS 39

AcmeUnit	AllegCp wi	CDI Cp	CondorWine
CentennialGp	CitFst 250p	Conchmco	CrossAT
Designcind	DevelCp	ERC Intl	EsqRad El
Fitchbg GE	ForestCty A	FriesEnter	GnMicrwve
GormanRup s	HUBCO	Homelns pf	Lynch Corp
Matrix s	MonPw pfA	MountMed	New Proc
Noel Indust	Olsten s	PGE 125pfD	PGE 225pfL
PoliCp s	Pier 1 Inc w	Pittway Cp	RestAscB
Servo Corp	Sunshne Jr	Tranzonic	UnAirPrd
UniHi n	Univ Rundle	Valspar s	

NEW LOWS 6

LincNC n	LincNC wt	Newcor	PrairieOil s
SunbltNur wd	WikrEgy n		

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Jan. 2, 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) – daily; (w) – weekly; (b) – bi-monthly; (r) – regularly; (i) – irregularly.

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bid change P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index November; • - Redempt. Price - Ex-Coupon; ** - Formerly Worldwide Fund Ltd; @ - Offer Price incl. 3% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange

Floating-Rate Notes

Jan. 2

Dollar

Non Dollar

Source: Credit Suisse-First Boston Ltd., London

Phillips Consolidates Units

Reuters

BARTLESVILLE, Oklahoma — Phillips Petroleum Co. said Thursday that it has consolidated its refining, marketing, transportation and chemicals operations into one unit, Phillips 66 Co., as part of a companywide reorganization to streamline operations.

صكذا من الاصل

BUSINESS PEOPLE

Penguin Books Extends Operations to India

Brenda Erdmann
International Herald Tribune

LONDON — Penguin Books Ltd., the British publishing company, is extending its operations to India.

The company, a unit of Pearson PLC, is setting up a joint venture, Penguin Books India, in which it will hold 40 percent. A Calcutta-based newspaper and magazine company, Ananda Bazaar Patrika, will hold the rest.

Heading the new company, which will be based in New Delhi, is David J. Davidar. He previously was editor of Gentleman, an English-language magazine in Bombay.

Mr. Davidar will be responsible for publishing about 24 new books a year. The books, to be in English, will be by writers in India and will primarily be on Indian subjects, Mr. Davidar said.

Amsterdam-Rotterdam Bank NV said its board of managing directors has appointed four executives of the bank as executive vice presidents. They are: R. van der Borch tot Verwolde, general manager of Amro's London branch, who will become head of Amro's corporate banking division; E.J. van Dijk, head of accounting and information, who will become head of group finance; J. Hagoort, head of domestic credit, Rotterdam region, who will become head of the special loans department, and J.Ch.L. Kuiper, head of corporate clients unit in the Rotterdam branch, who will become head of domestic branches, Rotterdam region.

American Express Travel Related Services Co. has named Tommaso Zanzotto, who formerly was its executive vice president and general manager for Europe, the Middle East and Africa, as president of the region. He succeeds James T. Larkin, who was appointed to the new post of executive vice president, financial-services institutions. In addition, John Sutphen has been named senior vice president and general manager of TRS Card Services in Japan. American Express Travel Related Services is a unit of American Express Co.

Hentsch & Cie., a Geneva-based private bank, has acquired 50 percent of Imprefin SA, a Milan stockbrokerage from Nuovo Banco Ambrosiano, which retains 50 percent. Imprefin's board now consists of Gian Antonio Brioschi as president with Giuseppe Bertini, Alessandro Villa, Philippe de Beaumont and Maurizio A. Raymo as directors. Vittorio Salvi is in charge of day-to-day operations.

Rohm & Haas Co., the Philadelphia-based maker of specialty chemicals, has appointed Peter J. Savage as business director for plastics in Europe. Based in London, he succeeds Basil Vassiliou, who, as previously reported, was named Rohm & Haas's regional director for Europe. Mr. Savage was manager, petroleum products planning department, at Esso UK PLC in London.

The Swiss Bankers Association said Claude de Saussure, a partner in the Geneva private bank, Pictet & Cie., is to become its president in October. He will succeed Alfred E. Sarasin, a partner in Bank A. Sarasin & Cie., the Basel private bank.

Etrufin Reserco is the name given to the joint representative office to be opened in London on Jan. 9 by seven Italian savings banks and Banca del Monte di Luca. The office will be headed by Leonardo Simonelli, who will hold the title of managing director.

London & Scottish Marine Oil PLC has appointed to its board Peter Rees, who until recently was chief secretary to the British Treasury.

Dedeurwaerder Given Position at Renault

Reuters

SOUTHFIELD, Michigan — American Motors Corp. said Thursday that its president and chief executive officer, Jose J. Dedeurwaerder, has also been named executive vice president of worldwide sales and marketing for Renault, the French automaker that holds 46 percent of AMC.

AMC said that Mr. Dedeurwaerder also will be in change of all automotive manufacturing operations outside of France and Belgium for Renault. He also is chairman of AMC's executive committee.

Mexico, Armed With New Policy, Clears the Decks for Oil-Price Showdown

(Continued from Page 11)

regardless of the price. It is not yet clear just what percentage of world sales OPEC wants for itself.

The action opened the way for a potential price war. Prices on the open market dropped immediately. And with prices falling, Pemex was faced with the possibility that its customers would go elsewhere.

Along with Monday's decision to review prices, Pemex hinted at further changes, including a possible increase in the amount of oil it will sell to any one country. Mexico, jealous of its independence, limits single-country sales to 50 percent of its total production.

The United States, Mexico's closest and largest market, now buys half of Mexico's oil. During last summer's sales crisis, the 50-percent limit was briefly exceeded, and now some analysts think Mexico may raise the single-country limit to 60 percent.

More frequent price changes may also be in the offing. Such flexibility will necessitate skirting Mexico's oil bureaucracy, which in part is blamed for the slow reaction that cost Mexico customers last summer.

"Mexico is under pressure from its customers," said Mr. Heath, the economist. "They have to move quickly."

In any case, Mexico has taken the first steps to prepare for a possible price war. OPEC is committed to preserving its share of the market against producers it considers mavericks, and if prices start coming down, it is not certain who will cave in first.

Mexico, though, is burdened with foreign debt, and if average prices sink to $20 a barrel, the country would risk insolvency.

Current Mexican prices range from $22 to $26.25 a barrel, with an average of about $24. Mexico could reduce its level of vulnerability to $17 a barrel by increasing production, but that would probably involve stepping up sales to the United States, a politically sensitive step.

Crude Prices Off Sharply

Spot and futures crude prices fell sharply in U.S. and European trading Thursday as the year opened on reports of rising petroleum stocks, Reuters reported from London.

In London, North Sea Brent tumbled 80 cents a barrel on the spot market from Tuesday's European and U.S. closing levels, traders and brokers said.

In the futures market, European buyers for Brent for January loading were bidding $25.50 per barrel late Thursday, down from $26.20 at the close on Tuesday, while sellers were asking $25.55 against $26.35 on Tuesday.

In U.S. markets, West Texas Intermediate crude for delivery in February closed down 65 cents, to $25.65 a barrel, while crude futures on the New York Mercantile Exchange closed down between 71 cents and 86 cents a barrel.

World Stock Markets

Via Agence France-Presse Jan. 2

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	611	600
ACF Holding	310	305
Aegon	123	119.50
Akzo	150.80	145.10
Ahold	91.80	88.50
Amev	90	90
A'Dam Rubber	9.65	9.60
Amro Bank	116	116.20
BVG	261.50	256
Buehrmann T	142	135
Caland Hldg	30	29.50
Elsevier-NDU	198.50	195
Fokker	77.40	74.80
Gist Brocades	301.50	294
Heineken	239.80	232
Hoogovens	78	80.10
KLM	53	52.50
Naarden	63.30	60
Nat Neder	90.80	90.70
Nedlloyd	214.50	208.20
Oce Vander G	410	398
Pakhoed	90.20	87.70
Philips	63	61.90
Robeco	85.70	85.40
Rodamco	134.20	135.40
Rolinco	75	74.50
Rorento	46.60	46.80
Royal Dutch	174.10	174.10
Unilever	406.50	401.50
Van Ommeren	34.40	34
VMF Stork	284	274.50
VNU	331	320.50

ANP.CBS Gen'l Index : 248.50
Previous : 255.60

Brussels

	Close	Prev.
Arbed	2550	2615
Bekaert	8990	9010
Cockerill	195	197
Cobepa	4375	4490
EBES	3775	3870
GB-Inno-BM	4985	5200
GBL	2465	2545
Gevaert	4775	5100
Hoboken	5950	5950
Intercom	2920	3020
Kredietbank	11400	12080
Petrofina	6610	6750
Soc Generale	2200	2280
Sofina	8000	8100
Solvay	6050	6100
Traction Elec	4675	5120
UCB	5450	5580
Unerg	2240	2280
Vieille Montagne	5500	5580

Current Stock Index : 2844.73
Previous : 2942.48

Frankfurt

	Close	Prev.
AEG	274	240.80
Allianz Vers	2020	2073
Altana	433	455
BASF	274.80	270.50
Bayer	282.50	270
Bay. Hypo bank	534	525
Bay Vereinsbank	522	530
BBC	297.80	298
BHF-Bank	533	514
BMW	572	569.50
Commerzbank	355	365
Conti Gummi	169	165.50
Daimler-Benz	1236	1246
Degussa	426	427.50
Deutsche Babcock	209	211
Deutsche Bank	909	925
Dresdner Bank	444.50	451.50
GHH	256	237
Harpener	340	342
Hochtief	780	800
Hoechst	288.50	293.50
Hoesch	169.10	165.50
Horten	220	212
Hussel	439	430
IWKA	324	312
Kali + Salz	294	289
Karstadt	337	328
Kaufhof	350	342
Kloeckner H-D	312	312
Kloeckner Werke	93	91
Krupp Stahl	157	140
Linde	800	808
Lufthansa	222	225
MAN	232	232
Mannesmann	289	288
Muench Rueck	3150	2999
Nixdorf	548	557
PKI	734.80	733
Porsche	1265	1295
Preussag	255	255
PWA	147.50	148.50
RWE	195	193.50
Rheinmetall	505	508
Schering	636	633
SEL	339.80	344.80
Siemens	744.50	755
Thyssen	170.50	170.40
Veba	291	295.50
Volkswagenwerk	495	498.30
Wella	750	735

Commerzbank Index : 1937.40
Previous : 1951.50

Hong Kong

	Close	Prev.
Bk East Asia	24.80	24.60
Cheung Kong	21.50	21.30
China Light	15.40	15.40
Green Island	8	7.90
Hang Seng Bank	47.75	46
Henderson	2.15	2.15
China Gas	14.10	14
HK Electric	8.50	8.50
HK Realty A	12.10	12.20
HK Hotels	35	35
HK Land	6.80	6.85
HK Shang Bank	7.95	7.70
HK Telephone	10.20	9.95
HK Yaumatei	3.90	3.975
HK Wharf	7.60	7.50
Hutch Whampoa	27.60	27.50
Hysan	0.69	0.67
Int'l City	N.A.	0.98
Jardine	N.A.	13.70
Jardine Sec	15.20	15.40
Kowloon Motor	10	10.20
Miramar Hotel	46	44.50
New World	6.85	6.85
SHK Props	13	12.80
Stelux	2	1.93
Swire Pacific A	32	31.25
Tai Cheung	2.025	2
Wah Kwong	0.95	0.90
Wing On Co	1.62	1.66
Winsor	5.20	5.20
World Int'l	2.60	2.60

Hang Seng Index : 1774.38
Previous : 1752.45

Johannesburg

	Close	Prev.
AECI	915	915
Anglo American	4025	3975
Anglo Am Gold	20600	20200
Barlows	1435	1420
Blyvoor	1600	1675
Buffels	8375	8250
De Beers	1765	1660
Driefontein	5100	4875
GFSA	N.Q.	—
Harmony	3325	3300
Hiveld Steel	600	N.A.
Kloof	2300	2260
Nedbank	800	800
Pres Steyn	4000	5900
Rusplat	2600	2680
SA Brews	820	810
St Helena	4100	4100
Sasol	905	910
West Holding	7700	7700

Composite Stock Index : N.A.
Previous : N.A.

London

	Close	Prev.
AA Corp	$11	$10¾
Allied-Lyons	268	268
Anglo Am Gold	$57	$55½
Ass Brit Foods	260	260
Ass Dairies	144	144
Barclays	477	477
Bass	662	658
B.A.T.	316	315
Beecham	358	361
BICC	243	241
BL	29	29
Blue Circle	580	575
BOC Group	291	289
Boots	264	267
Bowater Indus	305	305
BP	561	558
Brit Home St	338	338
Brit Telecom	193	192
Brit Aerospace	473	470
Britoil	206	208
BTR	383	378
Burmah	269	270
Cable Wireless	595	595
Cadbury Schw	159	158
Charter Cons	196	196
Commercial U	225	230
Cons Gold	442	439
Courtaulds	193	192
Dalgety	243	243
De Beers	490	450
Distillers	498	495
Driefontein	514	$13¾
Fisons	441	441
Free St Ged	$19¾	$18⅞
GEC	170	164
Gen Accident	731	720
GKN	269	263
Glaxo £	15 29/64	15 13/32
Grand Met	403	398
GRE	730	720
Guinness	317	321
GUS	950	980
Hanson	198	198
Hawker	461	461
ICI	757	761
Imperial Group	256	255
Jaguar	341	335
Land Securities	300	298
Legal General	739	732
Lloyds Bank	489	489
Lonrho	201	202
Lucas	493	486
Marks and Sp	177	176
Metal Box	538	525
Midland Bank	447	449
Nat West Bank	694	692
P and O	453	455
Pilkington	335	326
Plessey	172	172
Prudential	787	784
Racal Elect	162	160
Randfontein	$70½	$68½
Rank	447	437
Reed Intl	692	687
Reuters	366	368
Royal Dutch £	43 17/32	43⅞
RTZ	519	517
Saatchi	812	810
Sainsbury	374	372
Sears Holdings	111½	109½
Shell	666	663
STC	102	100
Std Chartered	427	427
Sun Alliance	530	520
Tate and Lyle	548	548
Tesco	295	288
Thorn EMI	407	401
T.I. Group	377	369
Trafalgar Hse	348	346
THF	158	157
Ultramar	198	201
Unilever £	13 29/32	13 51/64
United Biscuits	238	240
Vickers	298	298
Woolworth	536	528

F.T. 30 Index : 1138.50
Previous : 1131.40
F.T.S.E.100 Index : 1420.50
Previous : 1412.60

Milan

	Close	Prev.
Banca Comm	22700	22800
Cigahotels	12210	12000
Cred Ital	3151	3145
Eridania	12850	13020
Farmitalia	16990	17200
Fiat	5945	6030
Generali	77000	77400
IFI	16350	17100
Italcementi	49200	51000
Italgas	2277	2300
Italmobiliari	97000	100000
Mediobanca	130050	131975
Montedison	2770	2704
NBA	3664	3729
Olivetti	8718	8625
Pirelli	3520	3580
RAS	142450	142950
Rinascente	961	971
SIP	2751	2780
SME	1280	1300
Snia	5415	5485
Standa	16080	16100
Stet	3735	3780

MIB Current Index : 2007
Previous : 2028

Paris

	Close	Prev.
Air Liquide	640	650
Alsthom Atl.	413	423.10
Av Dassault	1270	1239
Bancaire	875	861
BIC	588	519
Bongrain	1670	1635
Bouygues	1058	1008
BSN-GD	2850	2750
Carrefour	3180	3015
Chargeurs	711	713
Club Med	483	470
Darty	1941	1930
Dumez	1095	1079
Elf-Aquitaine	199.90	201.40
Europe 1	1170	1192
Gen Eaux	929	915
Hachette	1580	1490
Lafarge Cop	812	800
Legrand	2670	2630
Lesieur	725	767
L'Oreal	2910	2855
Martell	1578	1540
Matra	1635	1625
Merlin	2840	2840
Michelin	1705	1649
Moet Hennessy	2360	2355
Moulinex	78.40	72
Occidentale	721	724
Pernod Ric	838	818
Perrier	498	470
Peugeot	512	507
Printemps	417	415
Radiotechn	401	398.20
Redoute	1860	1880
Roussel Uclaf	1550	1540
Sanofi	740	725
Skis Rossignol	1350	1298
Telemecan	2730	2710
Thomson CSF	887	805
Total	292	289

CAC Index : 267.80
Previous : 265.80

Singapore

	Close	Prev.
Cold Storage	2.55	2.59
DBS	4.70	4.70
Fraser Neave	5.50	5.60
Haw Par	1.88	1.88
Inchcape	1.47	1.50
Malayan Banking	4.38	4.38
OCBC	7.10	7.25
OUB	2.49	2.61
OUE	2	2.20
Shangri-la	1.91	2
Sime Darby	1.43	1.50
S'pore Land	1.73	1.76
S'pore Press	5.55	5.65
S Steamship	0.64	0.63
St Trading	2.09	2.14
UOB	3.14	3.24
United Overseas	1.16	1.17

Straits Times Ind Index : 612.32
Previous : 620.84

Stockholm

	Close	Prev.
AGA	180	179
Alfa Laval	263	260
Asea	360	353
Astra	525	505
Atlas Copco	193	190
Boliden	185	185
Electrolux	200	194
Ericsson	228	225
Esselte	450	450
Handelsbanken	238	233
Pharmacia	197	190
Saab-Scania	505	495
Sandvik	660	N.Q.
Skanska	134	125
SKF	319	298
SwedishMatch	258	242
Volvo	300	287

Affaersvaerlden Index : 492.40
Previous : 479.70

Sydney

	Close	Prev.
ACI	2.82	2.82
ANZ	4.43	4.40
BHP	8.80	8.74
Boral	3.35	3.25
Bougainville	1.92	1.90
Castlemaine	8	8
Coles	4.29	4.25
Comalco	1.82	1.80
CRA	5.56	5.48
CSR	3.62	3.56
Dunlop	2.62	2.60
Elders Ixl	3.05	3.07
ICI Australia	2.28	2.30
Magellan	2.20	2.20
MIM	2.78	2.67
Myer	N.Q.	—
Nat Aust Bank	6.45	4.44
News Corp	9.04	9
N Broken Hill	2.30	2.28
Poseidon	2.45	2.45
Qld Coal Trust	1.48	1.42
Santos	5.36	5.30
Thomas Nation	2.50	2.46
Western Mining	2.22	2.20
Westpac Banking	4.40	4.52
Woodside	1.20	1.15

All Ordinaries Index : 1010.90
Previous : 1002.80

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto — Jan. 2

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
3252	Abti Prce	$16½	16⅛	16⅛	— ⅛
100	Acklands	$19¼	19¼	19¼	+ ¼
3300	Agnico E	$21¾	21⅜	21⅜	— ⅛
600	Agra Ind A	$9⅞	9⅝	9⅝	
19760	Alt Energy	$17⅝	17¼	17⅜	
1175	Alta Nat	$15⅞	15⅝	15⅝	— ¼
1101	Algoma St	$20⅛	20	20⅛	+ ⅛
2968	A Barick o	$9¾	9½	9½	— ½
55895	Atco I f	$10⅝	10½	10½	— ⅛
1110	BP Canada	$31⅛	30⅞	31⅛	+ ⅜
38438	Bank BC	$5⅝	5⅜	5⅝	+ ⅛
45355	Bank N S	$14⅛	14	14⅛	— ⅛
500	Baton A f	$24	23⅞	23⅞	— ⅛
16850	Bonanza R	370	360	360	— 5
600	Bralorne	355	345	350	+ 5
100	Bramalea	$18½	18½	18½	
3300	Brenda M	$9	9	9	
14107	BCFP	$11½	11⅜	11⅜	— ⅛
12540	BC Res	215	211	215	+ 1
5822	BC Phone	$26½	26⅜	26⅜	— ⅛
200	Brunswk	$13¼	13⅛	13¼	+ ¼
2770	Budd Can	$30⅛	30⅛	30⅛	
18150	CAE	$17⅝	17⅜	17½	+ ¼
1300	CCL A	$17¼	17	17¼	
11435	CCL B f	$17¼	17	17¼	+ ⅛
3800	Cad Frv	$15⅝	15⅛	15⅜	+ ⅛
9100	Campeau f	$26⅛	25⅝	25⅞	— ⅛
6664	C Nor West	$24	23⅝	23⅝	— ⅛
10575	C Packrs	$36½	36	36¼	— ⅛
694	Can Trust	$42⅝	42⅝	42⅝	
33	C Tung	$8	8	8	— ¼
50	CGE	$75⅝	75⅝	75⅝	— ¼
51543	CI Bk Com	$42⅞	42½	42½	— ⅛
91716	CTire A f	$11⅞	11⅝	11⅝	— ⅛
724	C Util B	$19⅝	19⅝	19⅝	— ⅛
4000	Cara	$19⅝	19½	19½	— ¼
6200	Celanese	$10⅝	10⅜	10½	— ¼
1200	Centrl Tr	$14½	14⅜	14½	+ ⅛
12866	Cineplex	$11	10⅞	11	
1000	C Distb A	$6⅝	6⅝	6⅝	— ⅛
4700	CDistb B f	$6⅛	5⅞	6	— ⅛
2316	CTL Bank	$10⅝	10½	10½	
30	Conwest A	$7⅝	7⅝	7⅝	— ⅛
100	Coseka R	250	250	250	
167250	Conron A	$18⅛	17⅝	18	
1200	Crownx	$23	22⅞	22⅞	— ⅛
4420	Czar Res	214	210	214	+ 4
25627	Daon Dev	$5	470	5	+15
276	Daon A	490	460	490	+30
6758	Denison A p	$15¼	15⅛	15⅛	— ⅛
22194	Denison B f	$14⅛	14⅛	14⅛	— ½
5800	Develcon	$5⅝	5⅝	5⅝	— ⅛
2042	Dicknsn A f	$7⅝	7⅜	7⅜	— ⅛
697	Dicknsn B	$8	8	8	
17660	Dofasco	$27½	27⅛	27⅜	+ ¼
16380	Donohue	$19½	19⅛	19⅛	— ¼
700	Du Pont A	$29	28⅞	29	+ ½
7489	Dylex A	$16	15⅞	16	+ ¼
500	Elcham X	$7⅛	7⅛	7⅛	
35180	Emco	$23	22⅞	23	+ ¼
900	Equity Svr	$6⅞	6⅝	6⅝	
1100	FCA Intl	$21½	21⅛	21½	
1208	C Falcon C	$15⅝	15¼	15¼	— ⅛
19078	Ficnbrdge	$20⅛	20⅛	20⅛	— ⅛
1505	Fed Ind A	$13⅝	13½	13⅝	
608	F City Fin	$10⅞	10⅝	10⅝	— ⅛
1530	Geoc Comp	$7⅞	7⅛	7½	+ ⅛
300	Gibraltar	$9⅝	9⅝	9⅝	
2730	Goldcorp f	$7	6⅞	7	+ ⅛
750	Goodyear	$38	38	38	
67000	GL Forest	$19⅝	19⅛	19⅛	— ¼
4100	Greyhnd	$24⅞	24½	24⅞	— ⅛
145	Hawker	$22⅝	22⅝	22⅝	— ⅛
31446	Hayes D	$12⅝	12⅛	12⅛	— ⅛
1500	Hees Intl	$24¼	24¼	24¼	
1125	Hollinger I	$19⅝	19⅝	19⅝	+ ⅛
3233	H Bay Co	$24⅛	24	24⅛	— ⅛
10325	Imasco	$27⅞	27⅜	27⅜	— ½
300	Indal	$19⅝	19	19⅝	+ ¼
1108	Inglis	$16⅝	16⅝	16⅝	
3575	Inland Gas	$12	12	12	
7300	Intl Thom	$9	8⅞	9	— ⅛
2485	Inter Pipe	$43	42⅝	42⅝	— ⅛
200	Ipsco	$13½	13½	13½	— ⅛
3000	Ivaco B	$18⅛	18⅛	18⅛	+ ⅛
11900	Jannock	$20½	20⅛	20⅛	— ⅛
400	Kelsey H	$39⅝	39½	39⅝	+ ⅛
600	Kerr Add	$15⅞	15⅝	15⅝	+ ⅛
4420	Labatt	$30⅞	30½	30⅝	
3000	LOnt Cem	$18	17⅝	18	+ ⅛
2450	Lacana	$9⅝	9⅝	9⅝	
308	Loblaw Co	$24	24	24	+ ⅛
600	Lumonics	$18	17⅞	18	+ ⅛
2000	MICC	360	350	360	+10
32265	Mclan H X	$15	14⅞	15	+ ⅛
900	Maritime f	$15⅝	15⅛	15⅛	
4015	Marland E	320	315	320	+ 5
2093	Molson A f	$19⅛	18⅞	18⅞	— ¼
100	Molson B	$20⅛	20⅛	20⅛	— ⅛
700	Nabisco L	$29⅞	29⅝	29⅝	
21484	Noranda	$15⅝	15⅜	15⅜	
3641	Norcen	$16⅝	16⅛	16½	— ⅛
84591	Nva AltA f	$7⅛	7⅛	7⅛	
500	Nowsco W	$17½	17½	17½	— ⅛
9236	NuWst sp A	38	37½	37½	
200	Oakwood	$8	8	8	
5100	Omnibus o	299	285	286	—14
1320	Oshawa A f	$33½	33¼	33¼	— ½
11275	Pac W Airln	$14½	14⅜	14⅜	— ⅛
100	Pamour	$8⅝	8⅝	8⅝	+ ⅛
700	PanCan P	$32⅝	32⅝	32⅝	+ ⅛
12526	Pine Point	$19⅝	19	19	— ½
8300	Placer	$23⅞	23½	23⅝	— ⅛
1100	Que Sturg o	385	375	385	+15
7700	Rayrock f	$7	6⅞	6⅞	
4872	Redpath	$15	14⅞	15	+ ⅛
1320	ReedSt I Sp	$46	46	46	
20	Rogers A	$12⅝	12⅝	12⅝	
100	Roman	$14⅝	14⅝	14⅝	
1600	Sceptre	450	445	445	
300	Scotts f	$29⅞	29	29	— ⅛
3472	Sears Can	$11½	11⅜	11½	+ ⅛
7057	Shell Can	$23	22⅞	22⅞	— ⅛
2454	Sherritt	$8	7⅞	8	+ ⅛
6000	Slater B f	$13⅜	13⅜	13⅜	
10450	Southam	$16	15⅞	16	+ ⅛
2110	Spar Aero f	$24⅛	23⅞	23⅞	— ⅛
7293	Stelco A	$22⅞	22⅝	22⅝	— ⅛
600	Sulpetro	180	171	180	+ 7
1100	Steep R	255	251	255	— 4
200	Taro	$17⅞	17⅝	17⅝	— ⅛
2750	Teck Cor A	$17½	17⅜	17⅜	
60171	Teck B f	$17⅝	17⅜	17½	— ⅛
21900	Tex Can	$30⅛	29⅞	29⅞	— ½
30010	Thom N A	$24	23½	23⅝	
43799	Tor Dm Bk	$24½	23⅝	23⅝	— ⅜
2630	Torstar B f	$33⅝	33⅛	33⅝	+ ⅛
49900	Traders A f	$29	28½	29	+ ¼
1256	Trns Mt	$11⅛	11⅛	11⅛	+ ⅛
3100	Trinity Res	270	260	260	+10
16470	TrnAlta UA	$27⅝	27½	27⅝	— ⅛
58460	TrCan PL	$21½	21⅛	21⅜	— ⅛
1850	Trimac	340	325	325	
2762	Trilon A	$22⅝	22½	22½	— ⅛
15240	Trizec A f	$29	28¾	29	
124800	Turbo	51	50	51	
1100	Unicorp A f	$7⅝	7⅝	7⅝	— ⅛
100	Un Carbid	$14½	14½	14½	+ ⅜
1650	U Entprise	$12⅛	12	12	— ⅛
8	U Keno	$8⅞	8⅞	8⅞	
1300	Versil A f	415	410	415	+ 5
600	Wardair	$19⅞	19⅝	19⅝	— ⅛
51070	Weldwod	$22	20¾	21½	— ½
5000	Westmin	$11⅜	11½	11⅜	
1170	Weston	$103	101½	103	+ 1
8713	Woodwd A	$7⅝	7⅝	7⅝	
2200	Yk Bear	$6⅞	6⅞	6⅞	+ ⅛

Total sales 8,876,539 shares

	Close	Previous
TSE 300 Index:	2,881.50	2,900.60

Montreal — Jan. 2

Sales	Stock	High	Low	Close	Chg.
145464	Bank Mont	$34½	34	34	— ½
450	BombrdrA	$14½	14½	14½	— ⅛
3450	BombrdrB	$14⅝	14⅛	14⅛	— ¼
1100	CB Pak	$23⅞	23¾	23¾	— ⅛
20050	Cascades	$11⅛	11	11	— ¼
500	CIL	$30½	30⅛	30⅛	— ¼
5200	ConBath	$18⅝	18½	18⅝	+ ¼
44315	DomTxtA	$15	14½	14½	— ⅛
28890	Gaz Metro	$11⅞	11⅝	11⅝	— ⅛
660	MntTrst	$15⅞	15½	15⅞	— ⅛
199939	NatBk Cda	$24⅞	24⅜	24½	— ⅛
6485	Power Corp	$21⅞	21⅝	21⅝	
25541	Provigo	$16½	16	16⅝	
59214	Royal Bank	$34⅝	34	34	— ⅝
600	SteinbrgA	$36½	36	36½	+1

Total Sales 2,907,722 shares.

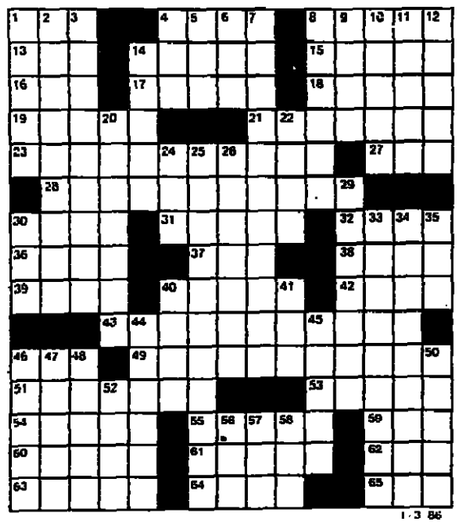
	Close	Previous
Industrials Index:	121.45	122.08

Thursday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

12 Month High Low | Stock | Div. Yld. | Sales in 100s | High | Low | 3 P.M. | Net Ch'ge



1-3 86

ACROSS

1 Kinsman
4 Army vehicle
8 Walt Disney's middle name
13 Rhoda's TV mother
14 Kind of saw
15 Famed electrical engineer
16 A grandfather of Saul
17 Single-foot
18 Reddy or Traubel
19 Per——
21 Fricative
23 With 28 Across, a rock put-down
27 —— culpa
28 See 23 Across
30 Bathgate native
31 Author Terkel
32 Alignment piece
36 Samlet
37 —— -Magnon man
38 Thrilled
39 Painter —— - Tadema
40 Polish
42 Adam's residence
43 Harper Valley events
46 Grand Cent. ——
49 Quiche ingredient, sometimes
51 Clot
53 Pallid
54 Eastern Christian
55 Utmost extent
59 "... sat —— tuffet"
60 Rome's Arch of ——
61 Sidestep
62 Agt.'s cut
63 Do, re, mi ...
64 City on the Truckee
65 Call, in poker
14 Where Pago Pago is
20 Loosen one's belt
22 Zadora and Lindstrom
24 Six-pt. scores
25 Speaker of 23 and 28 Across
26 Exorbitant payment rates
29 Ancient ascetics
30 Health farm
33 Flies low, while spraying
34 Basically
35 Map abbr.
40 "I never —— purple cow": Burgess
41 And more of same: Abbr.
44 Harmful fly
45 Peg Bracken's "—— to Cook Book"
46 Cottontails' tails
47 Pick-me-up
48 O'Day of songdom
50 Akin on mother's side
52 Land of "partes tres"
56 "—— Got a Secret"
57 Homo sapiens
58 Berlin's "What'll ——?"

DOWN

1 Six-Day War area
2 Same
3 Perform at county fairs
4 Clog
5 Partner of flow
6 Slithery fish
7 —— luck (took chances)
8 Proper behavior
9 Eye wickedly
10 The Moslem world
11 Coeur d'——, Idaho
12 Yule visitor

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DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MILIT

FIDUL

ENGRYT

DAWTOR

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A ____ " ____ "

(Answers tomorrow)

Yesterday's Jumbles: EXILE AGENT STOLID PERSON
Answer: What she was, after a hard day's shopping— TIRED & "SPENT"

WEATHER

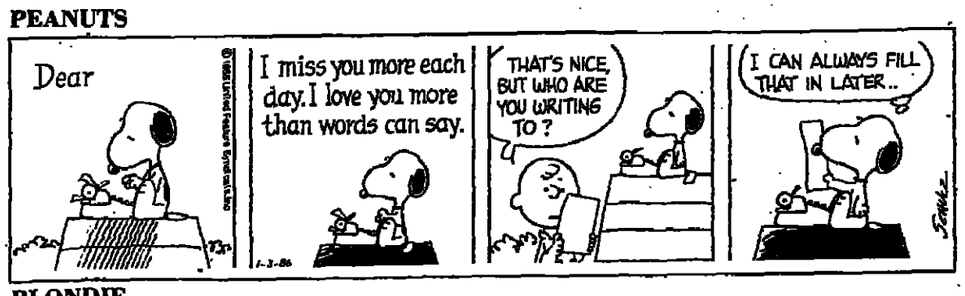
EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Alserve	17	63	14	57	cl
Amsterdam	2	36	-1	30	r
Athens	18	64	12	54	cl
Barcelona	17	63	9	48	fr
Belgrade	3	37	-2	28	o
Berlin	-4	25	-9	16	o
Brussels	7	45	-2	28	cl
Bucharest	1	34	0	32	o
Budapest	-2	28	-7	19	o
Copenhagen	-2	28	-3	27	sw
Costa Del Sol	19	66	10	50	o
Dublin	5	41	3	37	o
Edinburgh	4	39	2	36	sh
Florence	5	41	0	32	fo
Frankfurt	1	34	-5	23	r
Geneva	6	43	-3	27	o
Helsinki	-12	10	-12	10	cl
Istanbul	12	55	10	50	cl
Las Palmas	21	70	14	57	fr
Lisbon	15	59	11	52	cl
London	8	46	3	37	cl
Madrid	12	54	5	46	cl
Milan	4	39	0	32	r
Moscow	-5	18	-9	16	fr
Munich	2	36	-10	14	sw
Nice	9	48	5	41	r
Oslo	-7	19	-8	18	cl
Paris	9	48	0	32	o
Prague	-4	25	-9	16	o
Reykjavik	-2	28	-3	28	o
Rome	10	50	3	37	r
Stockholm	-2	28	-17	1	sw
Strasbourg	4	39	-5	23	o
Venice	5	37	2	36	r
Vienna	-2	28	-10	14	o
Warsaw	-4	25	-8	18	sw
Zurich	4	39	-5	23	cl
MIDDLE EAST					
Ankara	2	36	-3	27	cl
Beirut	——	——	——	——	na
Damascus	15	59	3	37	o
Jerusalem	20	68	10	50	cl
Tel Aviv	19	66	9	48	cl
OCEANIA					
Auckland	25	77	15	59	sh
Sydney	24	93	19	66	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	31	88	19	66	fr
Beijing	-1	30	-10	14	o
Hong Kong	17	63	9	48	o
Manila	31	88	22	72	o
New Delhi	18	64	7	45	o
Seoul	-5	23	-11	12	o
Shanghai	6	43	-4	25	o
Singapore	31	88	24	75	o
Taipei	17	63	9	48	o
Tokyo	11	52	4	39	fr
AFRICA					
Algiers	21	70	13	55	cl
Cairo	——	——	——	——	——
Cape Town	26	79	15	59	fr
Casablanca	18	64	12	54	o
Harare	24	75	17	63	o
Lagos	——	——	——	——	——
Nairobi	26	79	12	88	fr
Tunis	20	68	7	45	o
LATIN AMERICA					
Buenos Aires	33	91	14	57	fr
Caracas	——	——	——	——	——
Lima	——	——	——	——	——
Mexico City	23	73	5	41	fr
Rio de Janeiro	27	84	19	66	fr
NORTH AMERICA					
Anchorage	-4	25	-9	16	cl
Atlanta	14	57	8	32	fr
Boston	3	37	-3	27	fr
Chicago	3	36	-6	21	fr
Denver	10	50	-3	27	fr
Detroit	-1	30	-9	16	fr
Honolulu	27	81	21	70	fr
Houston	17	63	9	48	cl
Los Angeles	21	70	14	57	fr
Miami	26	79	17	63	fr
Minneapolis	-3	27	-9	16	fr
Montreal	-6	21	-18	14	fr
Nassau	29	82	14	57	fr
New York	4	43	4	39	fr
San Francisco	15	59	11	52	r
Seattle	7	45	3	37	r
Toronto	-5	23	-6	21	fr
Washington	9	48	0	32	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

FRIDAY'S FORECAST—CHANNEL: Heavy. FRANKFURT: Overcast. Temp. 1 — 3 (34 — 37). LONDON: Cloudy. Temp. 6 — 2 (43 — 36). MADRID: Cloudy. Temp. 18 — 4 (50 — 39). NEW YORK: Cloudy. Temp. 4 — 1 (39 — 30). PARIS: Cloudy. Temp. 7 — 2 (45 — 36). ROME: Cloudy. Temp. 12 — 5 (54 — 41). TEL AVIV: no. ZURICH: Overcast. Temp. 3 — -2 (37 — 28). BANGKOK: Mist. Temp. 30 — 21 (86 — 70). HONG KONG: Fair. Temp. 17 — 10 (63 — 50). MANILA: Cloudy. Temp. 30 — 19 (84 — 66). SEOUL: Snow. Temp. 4 — -5 (21 — 9). SINGAPORE: Thunderstorms. Temp. 27 — 24 (84 — 75). TOKYO: Cloudy. Temp. 10 — 5 (50 — 41).

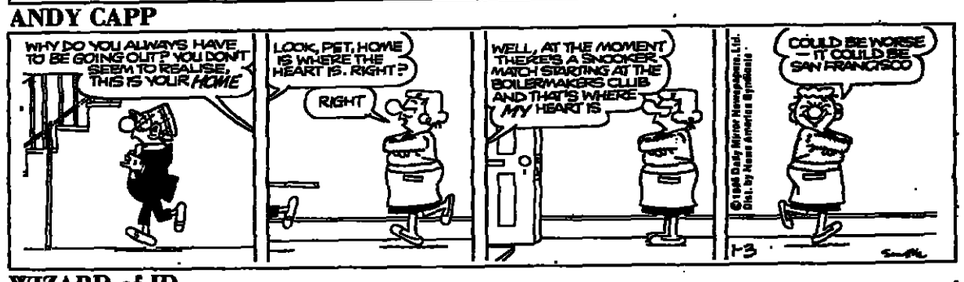
PEANUTS



BLONDIE

BEETLE BAILEY

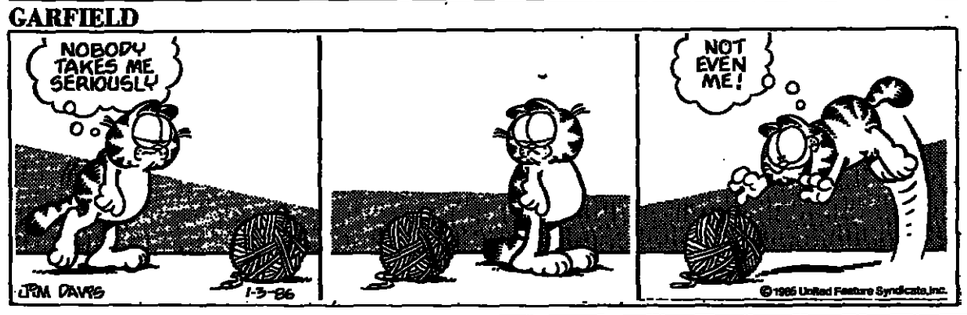
ANDY CAPP



WIZARD of ID

REX MORGAN

GARFIELD



BOOKS

WILLIAM MARSHAL: The Flower of Chivalry

By Georges Duby. Translated from the French by Richard Howard. 155 pages. $15.95.
Pantheon Books Inc., 201 East 50th Street, New York, N. Y. 10022.

Reviewed by John Gross

WILLIAM MARSHAL was born in about 1145, the son and grandson of men who had been household officials — marshals — at the Plantagenet court. If his name means little or nothing today except to students of the period, he was a person of great importance in his time. A staunch supporter of Henry II and his heirs, he rose from relatively obscure origins to become a celebrated knight and one of the most powerful noblemen in the realm.

As Earl of Pembroke, he played a leading role during the turbulent reigns of Richard I and King John. Eventually, when John's 9-year-old son, Henry, succeeded to the throne, he became regent and led the forces that drove the invading French armies out of the country.

It is not so much William's deeds that interest the French historian Georges Duby, however, as the manner in which he accomplished them; not so much the political events of his career as their cultural significance. If Duby, a renowned medievalist, thinks it worth devoting a book to him (published last year in French as "Guillaume le Maréchal ou le meilleur chevalier du monde"), it is because he embodied the values and outlook of chivalry to an exceptional degree, as his contemporaries recognized, and because there are very few medieval figures about whom so much detailed information is available.

That the facts have been handed down is due to his eldest son, William, who commissioned a long poem about him after his death. It runs to almost 20,000 lines, and the entire manuscript has survived. All that is known about the author is that he was a professional writer of such chansons, called Jean, and a master of the dialect of western France that was spoken at the time by the English ruling classes. Duby sees this poem, composed on the banks of the Thames, as one of the first monuments of French literature. It is also the earliest biography preserved in French.

While it inevitably eulogizes the man, the narrative is also, Duby believes, astonishingly faithful on points of detail. And while it is Christian in its assumptions, it reflects a secular mentality rather than that of the clerical intelligentsia. As a result, it offers the memory of chivalry in an almost pure state, about which, without this evidence, we should know virtually nothing.

Using the chanson as the basis of his narrative, Duby has reconstructed and brilliantly reanimated the key episodes of William Marshal's career. He begins at the end, with a long, stately account of the old warrior in his mid-70s (a great age in those days), getting ready to die at one of his manor houses. Everything is conducted according to ceremony and precedent, from the weeping around his bed to the progress of his corpse to the Temple in London; everything has its chivalric ramifications.

As death approaches, for instance, he is urged to sell his wardrobe and donate the proceeds to the various religious communities. What further use can he have for all those garments of scarlet and miniver, for the 80 gowns trimmed with precious furs? Rejecting the pious admonitions, he replies angrily with instructions to distribute the robes among his knights. As a good seigneur, his first duty is to his followers.

After his death, we double back to his early days and follow the main stages of his career in roughly chronological order. In the course of the story, we are given a fresh sense of the supreme chivalric ideals — loyalty, valor and generosity — and what they entailed in practice, from the treatment of hostages to the complex obligations of kinship.

The most striking section of the book is the account of the tournaments in which William won his reputation. They were team affairs, pitched battles involving very large numbers. (At one tournament described in the chanson, held in eastern France, as many as 10,000 combatants took part.) They were also extremely brutal, and conducted with the explicit aim of capturing prisoners and hauling off booty — very close to actual warfare.

William lived long enough to become something of an anachronism. In his later years, as Duby makes plain, the knightly ethic by which he lived was in decline. It had been constructed when currency had little circulation, and with the acceleration of the European money-based economy it was increasingly at odds with reality. By the end of the book, we can see more clearly why Duby chose to begin with William's death — there is an elegiac tinge to the entire story. Perhaps this sense of an ending makes him a little more indulgent toward the barbarous aspects of the chivalric world than he would otherwise have been; but it has also moved him to produce an unforgettable picture of chivalry in action.

John Gross is on the staff of The New York Times.

Solution to Previous Puzzle

A	P	L	U	M		J	O	G	S		S	H	A	D
S	E	A	T	O		A	D	I	T		P	A	R	E
T	A	P	E	R		D	O	N	E		I	R	A	N
A	L	I		E	M	E	R	A	L	D	C	I	T	Y
		D	A	N	A				L	A	Y			
D	I	A	M	O	N	D	H	E	A	D		M	A	R
I	N	R	E		G	A	I	N		S	C	O	N	E
A	K	I	N		E	N	D	O	W		H	O	N	E
N	E	E	D	Y		T	E	L	A		O	N	U	S
A	D	S		E	M	E	R	A	L	D	I	S	L	E
		P	L	O					D	A	R	T		
P	E	A	R	L	H	A	R	B	O	R		O	L	D
A	X	L	E		A	R	E	A		K	E	N	Y	A
V	I	S	E		W	I	N	K		E	T	E	R	N
E	T	O	N		K	A	T	E		N	O	S	E	S

1/3/86

BRIDGE

By Alan Truscott

ON the diagramed deal, from a rubber bridge game, North was disconcerted to hear a weak two-bid in hearts from West but correctly passed in the hope that his partner would reopen with a double.

It is surprising that he did not bid three no-trump when his partner balanced with three diamonds, but South would have insisted on diamonds in any event.

Faced with the lead of the heart jack, South took the free finesse of the queen successfully, discarding a spade from his hand. He then led a club and East took the ace and returned that suit.

South discarded another spade, won in the dummy, and laid a small trap by leading the heart ace. If East had ruffed the contract would have made quite easily, but after a barely perceptible hesitation he discarded a spade. South also discarded a spade and entered his hand with a heart ruff. He then cashed the trump ace and studied the result.

If both players had produced low trumps, he would have had no choice. A low card would have followed in the hope that the king would appear. As it was the appearance of the ten from West opened up an alternative: lead the queen in the hope that West had begun with J-10 doubleton.

The theory of "restricted choice" suggested the play of a small trump: with J-10 doubleton West might have chosen to play the jack. And there were two other indications: West might have falsecarded with J-10-small; and East might have thought a little longer before refusing to ruff with K-x-x.

South did the wrong thing by leading a low trump, going one down in his contract.

East would not be likely to think for more than a second whatever his holding. And a possible false card by West was a red herring, for in that case the contract would presumably be defeated, even if South guessed correctly, by a third club lead from East to promote his partner's jack.

But the restricted choice argument was valid, so South's play was right in theory even if wrong in the result.

NORTH
♠ A Q
♡ A Q 8 7 5 3
◇ —
♣ Q J 10 6 2

WEST (D)	EAST
♠ K 8 6	♠ J 9 3 2
♡ K J 10 9 4 2	♡ 6
◇ J 10	◇ K 5 4
♣ 8 3	♣ A 9 7 5 4

SOUTH
♠ 10 7 5 4
♡ —
◇ A Q 9 8 7 6 3 2
♣ K

North and South were vulnerable.

The bidding:

West	North	East	South
2 ♡	Pass	Pass	3 ◇
Pass	4 ♣	Pass	5 ◇
Pass	Pass	Pass	

West led the heart jack.

SCOREBOARD

Football

College Bowl Results, Schedule

DEC. 14
California Bowl: Fresno State 51, Bowling Green 7
DEC. 21
Cherry Bowl: Maryland 35, Syracuse 18
Independence Bowl: Minnesota 20, Clemson 13
DEC. 22
Holiday Bowl: Arkansas 18, Arizona St. 17
DEC. 25
Blue-Gray Classic: Blue 27, Gray 28
DEC. 27
Liberty Bowl: Baylor 21, Louisiana St. 7
DEC. 28
Sun Bowl: Georgia 12, Arizona 13
Florida Citrus Bowl: Ohio St. 10, Brigham Young 7
Aloha Bowl: Alabama 24, Southern California 3
DEC. 30
Freedom Bowl: Washington 28, Colorado 17
Gator Bowl: Florida St. 34, Oklahoma St. 23
DEC. 31
Bluebonnet Bowl: Air Force 24, Texas 16
Peach Bowl: Army 31, Illinois 29
All-American Bowl: Ga. Tech 17, Mich. St. 14
JAN. 1
Fiesta Bowl: Michigan 27, Nebraska 23
Cotton Bowl: Texas A&M 36, Auburn 16
Rose Bowl: UCLA 45, Iowa 28
Sugar Bowl: Tennessee 35, Miami, Fla. 7
Orange Bowl: Oklahoma 25, Penn St. 10
JAN. 11
East-West Shrine Game (At San Francisco)
Hula Bowl: (At Honolulu)
Japan Bowl: (At Yokohama, Japan)
JAN. 18
Senior Bowl: (At Mobile, Alabama)

Basketball

NBA Standings

EASTERN CONFERENCE	W	L	Pct.	GB
Atlantic Division				
Boston	23	7	.767	—
Philadelphia	20	12	.625	4
New Jersey	20	13	.606	4½
Washington	16	15	.500	8
New York	11	21	.344	13
Central Division				
Milwaukee	22	12	.647	—
Atlanta	15	15	.500	5
Detroit	15	17	.469	6
Cleveland	14	18	.438	7
Chicago	13	21	.382	9
Indiana	9	21	.300	11
WESTERN CONFERENCE				
Midwest Division				
Houston	20	12	.625	—
Denver	19	12	.613	½
San Antonio	19	13	.594	1
Utah	17	16	.515	3½
Dallas	14	15	.483	4½
Sacramento	9	22	.290	10½
Pacific Division				
L.A. Lakers	25	5	.833	—
Portland	20	16	.556	8
Seattle	12	20	.375	14
Golden State	12	22	.353	15
Phoenix	10	19	.345	14½
L.A. Clippers	11	21	.344	15

WEDNESDAY'S RESULT

Philadelphia	31	28	34	19	9—121
Portland	25	31	31	25	7—119

Malone 9-14 17-21 35, Barkley 11-16 9-10 31; Vandeweghe 15-21 0-1 30, Drexler 11-15 1-2 23. Rebounds: Philadelphia 55 (Malone 14), Portland 48 (K.Johnson 9). Assists: Philadelphia 26 (Cheeks 7), Portland 26 (Drexler 12).

Hockey

NHL Standings

WALES CONFERENCE	W	L	T	Pts	GF	GA
Patrick Division						
Philadelphia	28	10	0	56	175	117
Washington	22	10	4	48	144	118
NY Islanders	15	13	9	39	143	139
NY Rangers	17	20	2	36	138	134
Pittsburgh	14	19	4	32	149	144
New Jersey	13	21	1	27	131	160
Adams Division						
Montreal	19	13	4	42	161	130
Boston	17	12	7	41	142	128
Quebec	19	15	2	40	144	128
Hartford	19	16	1	39	146	144
Buffalo	18	16	3	39	140	127
CAMPBELL CONFERENCE						
Norris Division						
St. Louis	16	14	4	36	131	127
Chicago	16	16	4	36	160	170
Minnesota	15	16	7	33	152	142
Toronto	10	20	5	25	132	156
Detroit	8	24	4	20	118	191
Smythe Division						
Edmonton	29	7	4	56	198	147
Calgary	17	15	3	37	150	130
Vancouver	13	21	4	30	141	162
Winnipeg	12	24	4	28	147	189
Los Angeles	10	21	4	24	120	176

WEDNESDAY'S RESULTS

N.Y. Rangers	0	0	0	0	—0
Washington	1	1	1	3	—3

Patterson (5), Laxalphin (10), Hatcher (4). Shots on goal: New York (on Jensen) 11-9-10—30; Washington (on Vanbiesbrouck) 10-11-9—30.

Montreal	1	0	1	0	—2
Toronto	2	1	0	0	—3

Ferraro (12), Leeman (7), Courtnall (9); Smith (14), Robinson (10). Shots on goal: Montreal (on Bernhardt) 7-11-10—28; Toronto (on Ray) 10-11-6—27.

Pittsburgh	1	1	2	0	—4
Chicago	3	2	2	0	—7

T. Murray 3 (22), Larmer (12), Secord 3 (17); Schmidt (6), Errey (8), Schmidt (7), Cunneyworth (7). Shots on goal: Pittsburgh (on Bonnerman) 12-18-17—47; Chicago (on Meloche) 16-12-5—33.

VANTAGE POINT/ Dave Anderson

Of Richardson and Responsibility

New York Times Service

NEW YORK — Once again, Micheal Ray Richardson is being rehabilitated for drug abuse — for the fourth time in less than three years and at a fourth site. In the understandable sympathy for the basketball player's relapse, Lewis Schaffel, the New Jersey Nets' executive vice president, spoke about how "there will always be a place" on the team for this 30-year-old playmaker, so talented and yet so troubled."

But if the Nets hope to construct a National Basketball Association championship contender, it's time the franchise rehabilitated itself by not having a place for Richardson.

Out of human understanding, the franchise has a responsibility to help Richardson escape from the daze of his drug problems. But the franchise also has a responsibility to its other players, its coach and its fans not to let the team's future depend on whether Richardson happens to be more involved with cocaine than with basketball.

No matter how successful his treatment over the next few weeks in the Pasadena (California) Community Hospital drug program, Richardson will remain a question mark in the real world and in the basketball world.

For all his basketball value to the franchise, Richardson is more trouble than he's worth. His teammates shouldn't have to wonder when he might disappear again, as he did over the weekend.

His coach, Dave Wohl, shouldn't have to wonder if he might be offended by criticism, thereby creating a depression that might lead to his seeking drugs. And Net fans shouldn't have to wonder if part of their price for a ticket will pay for drug treatment.

It's time the Nets looked for a playmaker they can depend on. Not that any other NBA team would touch Richardson now. Maybe no other team will ever touch him, knowing that one more drug offense automatically would bar him from the league for at least two years, a virtual lifetime ban. But after his current treatment ends, or certainly before next season, the Nets should try to trade him. If no other team wants him, the Nets would be better off buying out his contract.

As long as the Nets tolerate the question mark named Micheal Ray Richardson, the team will suffer from the uncertainty of what might happen tomorrow. No matter how secure he appears.

Until he disappeared last weekend, Richardson had been leading the team in scoring with a 17.3 average. He ranked second in the NBA in steals and ninth in assists.

After splitting two games in his absence, the Nets resume Friday night in Boston with a 20-13 record. They have been dueling the Philadelphia 76ers for second place in the Atlantic Division, a tribute to Dave Wohl, the rookie coach. But his coaching style may have unsettled Richardson.

No matter how successful his treatment over the next few weeks, Richardson will remain a question mark in the real world and in the basketball world.

In a Dec. 18 game with the Utah Jazz, which the Nets won, 113-98, Wohl yanked Richardson in the closing minutes for taking a scoop shot, hardly what the coach considered a "good" shot in that situation.

Richardson was annoyed at being benched. But as the coach, Wohl can't be concerned about treating a player with a drug-related past any differently than he would a player without a drug-related past.

Wohl wanted Richardson to take fewer shots than in other seasons while creating more shots for his teammates. Richardson seemed to understand the coach's thinking, saying, "I know I have to change my game." And overall, he appeared to be thriving under the new coach.

"I'm playing the best basketball I ever have," he said not long ago.

Despite his performance and despite, according to the Nets, his having regularly been tested "clean" from drugs, those who remembered Richardson's previous problems were concerned over at least two incidents.

On Nov. 11, he missed the team plane to San Antonio, citing traffic problems; the next day, he arrived a few hours before the game. On Dec. 5, he was ejected from a game with the Detroit Pistons for slapping Rick Mahorn; he later was fined $50 by the NBA office.

In retrospect, perhaps those incidents reflected the start of Richardson's return to drugs. If any other player had missed a team flight and been ejected from a game, it might be meaningless.

But with a player with a drug-related past, such incidents often are significant.

Stability has never been one of Richardson's attributes. Including his early seasons with the New York Knicks and later with the Golden State Warriors, he has had six agents and he reportedly has purchased at least 16 cars, once selling a Rolls-Royce only a few weeks after having purchased it. He once signed contracts to endorse three different brands of basketball shoes.

Following the 1983 playoffs, he visited the Fair Oaks drug treatment center in Summit, New Jersey; that summer he also was treated at the Hazelden Foundation in Center City, Minnesota, and he later entered a program at Regent Hospital in New York.

Now he's off to the Pasadena center, where Walter Davis of the Phoenix Suns is undergoing treatment; Quintin Dailey of the Chicago Bulls and John Lucas of the Houston Rockets were treated there recently.

But no matter how effective the treatment is, the aftercare is even more important. Otherwise a relapse might occur, as it did to Richardson over the weekend.

"Micheal Ray is not a problem child," says Larry Doby, the Nets' director of community affairs, "he's a child with a problem."

Once baseball's second black major-leaguer and also its second black major-league manager, Larry Doby has tried to help Richardson adjust to drug aftercare. Doby was the shoulder that Richardson could lean on, but throughout his absence over the weekend the Nets' playmaker didn't lean on it.

"Micheal Ray is easy to talk to about things," Doby says, "but it might not be on his schedule to accept it. You know that old saying, 'If I knew then what I know now.' I don't think he's reached the stage where he knows yet. Some people take longer than others to know some things. Someday maybe he'll know."

But the Nets no longer can afford to wait until that someday arrives.

هكذا من الاصل

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SPORTS

Oklahoma Headed for Top Spot After 25-10 Victory in Orange Bowl

By Malcolm Moran
New York Times Service

MIAMI — With their powerful wishbone offense stopped for much of the evening, the Oklahoma Sooners took advantage of five turnovers in a 25-10 victory over Penn State in the 52d Orange Bowl Wednesday night that seemed certain to guarantee the Sooners the top ranking in the final national college football polls.

Oklahoma (11-1) ended what had been a perfect Penn State season with an overwhelming defense that intercepted three passes by John Shaffer, the Nittany Lion quarterback, and another by Matt Knizner, the substitute who entered the game in the fourth quarter.

Jamelle Holieway, the remarkable freshman quarterback, threw a 71-yard touchdown pass to the tight end Keith Jackson to overcome an early Penn State lead. And Tim Lashar kicked four field goals to set an Orange Bowl record and help put the Sooners in position for their third top ranking under Coach Barry Switzer. The loss left Penn State with a final record of 11-1.

The Sooners began the day ranked second in the United Press International poll of coaches and third behind Miami in The Associated Press poll of writers and broadcasters. The one factor that would have complicated the Sooners' claim to the top ranking — Oklahoma's loss to Miami in its fourth game in October — was simplified by Miami's loss to Tennessee in the Sugar Bowl.

During the most involved preparation for a bowl game in Joe Paterno's 20 years as the head coach, Penn State spent much of its time concentrating on stopping the triple-option offense led by Holieway.

The Lions were placed in the rare position of taking a unanimous No. 1 ranking into a bowl game as a solid underdog. Their hopes were built on taking an early lead and containing Oklahoma's wishbone, and they achieved both early goals with shockingly simple success. What the Lions could not have imagined was that Holieway would dramatically change the direction of the game with one pass.

Paterno had helped the Lions build an early sense of confidence by declining to make a choice after winning the coin toss. By allowing Oklahoma to receive the opening kick, Penn State guaranteed itself possession to start the second half, and opened the game with its defensive unit on the field.

And for the first time in Holieway's spectacular first season, he was made to appear like a freshman. Holieway seemed indecisive while running the option, and the rebuilt Sooner offensive line — which had lost three opening-day starters to injuries — was having trouble handling the Lion defenders.

Oklahoma's first two possessions consisted of three plays and a punt. The maligned Lion offense, in its first time with the ball, drove 62 yards for a touchdown, with the score coming on a 1-yard plunge by the fullback Tim Manoa. Shaffer, the Penn State junior with the 45.2 percent completion rate this season, connected on two of three passes for gains of 12 and 14 yards on the drive, which was aided by a 15-yard pass interference penalty. The Lions had their lead, and the Sooners were reeling.

But the Penn State plan began to come apart late in the first quarter. After the Sooners made their initial first down of the game, they drove to the Lion 14 where Holieway began to scramble.

He was tackled for an 11-yard loss that would have led to a third down-and-23 situation and also would have pushed the Sooners to the edge of Lashar's field-goal range. But when senior safety Mike Zordich was called for grabbing Holieway's facemask, the penalty gave Oklahoma the ball at the Penn State 9. Lashar kicked a 26-yard field goal two plays later and the Sooners were within 4 points.

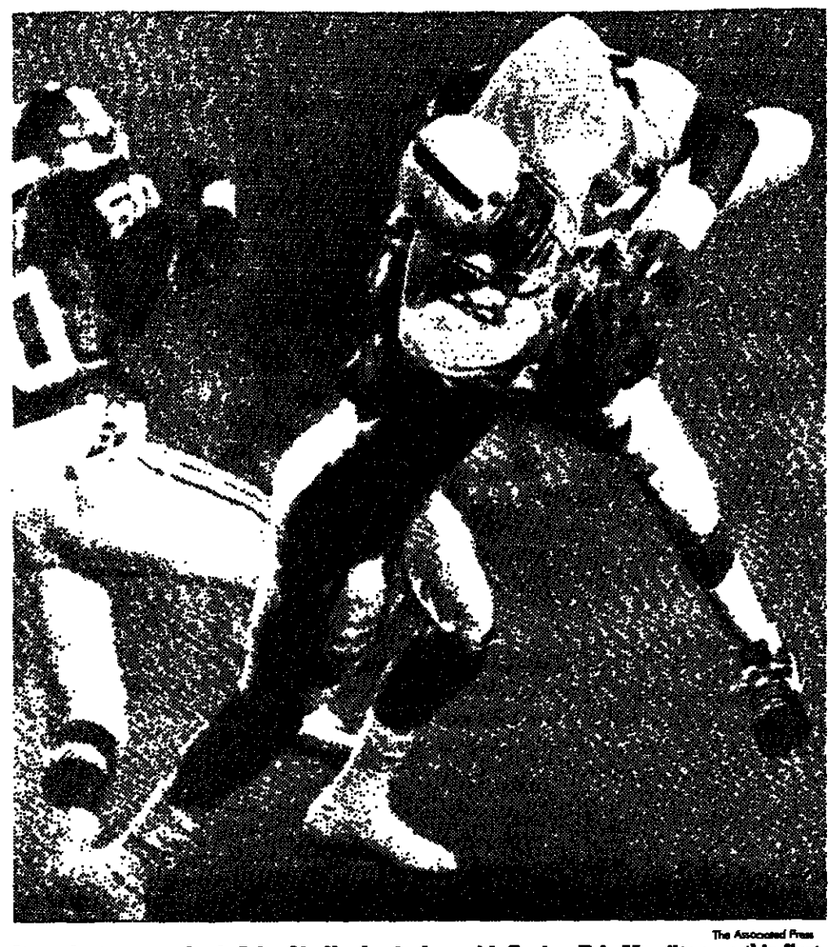
Oklahoma's overwhelming ground game had problems throughout the half, and yet the Sooners had a 6-point halftime lead that could easily have been more. The difference was Holieway's biggest play, a 71-yard TD pass to sophomore tight end Keith Jackson that put the Sooners ahead.

Ray Isom, the Penn State safety, had just gone out of the game with an injury to his right knee. With him on the sidelines and the Lion defense blitzing, Jackson was matched against Barry Buchman, a sophomore. Holieway led Jackson at the Penn State 30 and the tight end scored for the longest pass play against the Lions this season.

The Sooner ground game, which this year averaged 335.8 yards a game, was limited to a net total of 31 yards in the first half. Oklahoma gained just 15 yards rushing in its six possessions during the second quarter. But the Sooners converted two interceptions of Shaffer passes — the first on a tipped pass caught by Tony Rayburn, the second by Sonny Brown — into two more field goals by Lashar and a 16-7 lead late in the half that quieted the once-raucous Penn State fans.

Holieway then helped the Lions come close when his fumble was recovered by Shane Conlan at the Oklahoma 11-yard line with 9 seconds left in the half. After an incomplete pass — which gave Shaffer a first-half total of 5 for 15 — Massimo Manca kicked a 27-yard field goal with one second remaining to bring the Lions within 6 points at 16-10.

The clincher came with less than two minutes remaining when fullback Lydell Carr ran 61 yards for the game's final score.



The Associated Press

Penn State quarterback John Shaffer hooked up with flanker Eric Hamilton on this first-period pass play, but Oklahoma registered four interceptions in defeating the Nittany Lions.

Tennessee Jolts Miami, 35-7, in Sugar Bowl

By Michael Wilbon
Washington Post Service

NEW ORLEANS — Nobody knows better than Miami that being an overwhelming favorite on New Year's Day is no bargain.

Two years ago, Miami won the national championship by beating an overconfident Nebraska in one of the most memorable upsets in Orange Bowl history. But in Wednesday night's Sugar Bowl, the heavily favored Hurricanes were stunned by Tennessee, 35-7.

Miami (10-2) had moved the ball and scored spectacularly all season, but on Wednesday quarterback Vinny Testaverde had his ears boxed. The Tennessee defense, which blitzed at least 70 percent of the time, sacked Testaverde seven times, forced him into throwing three interceptions and caused him to fumble once.

Several Tennessee players said what they perceived as pregame arrogance by Miami fired them up. "We felt like Miami learned a good lesson," said tailback Jeff Powell. "They took us lightly. The whole country took us lightly. We saw the Miami players around town this week. They were cocky. They didn't respect us."

After falling behind, 7-0, in the first four minutes of the game, Southeastern Conference champion Tennessee (9-1-2) scored five straight touchdowns, including 14 points in a two-minute stretch of the third quarter.

For the winning coach, John Majors, it was a third successful trip to the Sugar Bowl — one as Tennessee's quarterback in 1956 and the other as coach of national champion Pitt in 1977.

The Tennessee offense was formidable enough, with quarterback Daryl Dickey effectively running a ball-control passing game and tailback Powell scoring on a 60-yard touchdown run to make it 28-7 midway through the third quarter. But the Volunteer defense, which had recorded three shutouts in the regular season's final five games, left Miami forlorn and forgotten.

Testaverde, who averaged 318 yards a game passing this season, never approached that form after throwing a 26-yard TD pass to Mike Irvin early in the game. "Their coverage was very tight," Testaverde understated. "Our guys just couldn't get open."

One of Testaverde's interceptions, a one-handed grab and 68-yard return by all-America safety Chris White, set up the final score, a seven-yard run by Charles Wilson with seven minutes left.

Miami was also penalized 12 times for a Sugar Bowl record 125 yards. Its most effective offensive play was a fake punt run, which set up its only score.

Jimmy Johnson, the losing coach, acknowledged that his team played poorly, but knew the Tennessee defense was part of the reason. "They only gave up a couple of meaningful touchdowns the entire second half of the season," Johnson said. "Their blitzes obviously bothered us."

Miami came into the game knowing that a victory — and a Penn State loss in the Orange Bowl — could push the Hurricanes into the No. 1 ranking for the second time in three years. Instead, Miami left with its worst loss in 19 games.

After Testaverde's pass made it 7-0, Dickey (voted the game's most valuable player) threw a six-yard scoring pass to tight end Jeff Smith for a tie late in the first quarter.

Tennessee called passes for its first 13 plays and eventually set up Miami for the running game, a pretty slick ploy for Majors, a man from the old run-to-set-up-the-pass school.

After all that throwing, Majors let Powell go for 9 yards (plus a 15-yard penalty for unsportsmanlike conduct), 4 more yards, 16 yards to the Miami 9, and 8 yards to the 1 before he fumbled into the end zone. But Tim McGee recovered for the touchdown that made it 14-7, a lead that stood until the third period.

Miami got inside the 20 four times but couldn't score. Sacks took the Hurricanes out of field-goal position several times."

Tennessee linebacker Darrin Miller started the second half, appropriately enough, by sacking Testaverde on second down, bringing a 3d-and-16 situation. On the next play the Vols forced Testaverde to into a fumble, which Miller recovered at the Miami 31.

Six plays later, fullback Sam Henderson scored a one-yard run for 21-7 lead with nine minutes left in the third. After a three-and-out series by Miami, Tennessee made it 28-7 on Powell's 60-yard sprint. It was the longest run by a Tennessee player this season and the longest against Miami. Testaverde was blitzed into throwing another interception after a first down at the 16, and the game was over.

No player was content than Powell with Tennessee's first Sugar Bowl victory since 1969. "Miami should have paid attention to the game they were playing than to the Orange Bowl," he said. "Because they beat Oklahoma [earlier in the season] they felt they were the best team in the nation and they should be national champions.

"There was only one problem. They hadn't beaten us yet. Yeah, they took us lightly. They didn't even practice that hard, from what we understood. I guess they're pretty quiet over there right now."

Reuters-UPI

Quarterback Daryl Dickey ... the Sugar Bowl's MVP

UCLA, Texas A & M, Michigan Winners

By Gordon S. White Jr.
New York Times Service

PASADENA, California — The Pacific 10 Conference and UCLA, in particular, held fast to a long-standing domination of the Big Ten Conference in the Rose Bowl here Wednesday as the Bruins upset Iowa, 45-28, and Eric Ball, UCLA's freshman tailback, ran for four touchdowns and 227 yards.

It was UCLA's third consecutive Rose Bowl victory over the Big Ten champion and the Pac-10's fifth straight triumph. The Pac-10 champions have won 17 of the last 21 Rose Bowl games.

Ball scored on three runs of 30 yards or better and one of 6 yards. His four touchdowns fell one short of the Rose Bowl record set by Neil Snow of Michigan in the first game in 1902.

Substitute quarterback Matt Stevens did a fine job directing UCLA only two days after he was told he would be the starter. Starting in place of David Norrie (who had not recovered from a thigh-muscle pull), Stevens threw for one touchdown in the surprisingly easy triumph and scored on a sneak as Iowa gave up more points than it had in any of its previous 11 games this season.

The outcome left Iowa with a 10-2 record. UCLA, which was upset by Southern Cal in the regular-season finale and gained the Rose Bowl berth when Arizona upset Arizona State, finished at 9-2-1.

Chuck Long of Iowa, the regular-season's best senior quarterback in the nation, was unable to rescue victory as he had done so many times. The first half was a nightmare for the Hawkeyes and particularly for Ronnie Harmon, the normally dependable senior running back who rushed for 1,111 yards and scored nine touchdowns during the regular season. He lost four fumbles in the first 30 minutes, three in the first quarter. UCLA scored as the direct result of two of those fumbles.

UCLA led at intermission, 24-10, for a lot of other reasons than Harmon's carelessness. Stevens was outgunning Long, and Ball was racking up TD runs of 6, 30 and 40 yards.

Iowa opened the scoring after Nate Creer intercepted a Stevens pass at midfield and ran the ball to the Bruin 34. The Hawkeyes then ran seven consecutive times against the country's No. 1 rushing defense; David Hudson carried the ball up and over from the 1 for the touchdown and a 7-0 lead.

But Stevens then took control of the situation. He directed UCLA on a nine-play, 79-yard march concluded when he made a perfect execution of a draw play to Ball. The tailback found a huge hole and went 30 yards for the touchdown.

Then came Harmon's second fumble and the first one UCLA turned into points. On a sweep left, Harmon lost the ball to linebacker Tommy Taylor at the Iowa 44. Stalled after five plays, UCLA called on placekicker John Lee, who made a 42-yard field goal.

On the first scrimmage play after the ensuing kickoff, Harmon fumbled after hauling in a pass from Long. Chuckie Miller, a UCLA cornerback, recovered at the Iowa 34. But moments later Stevens fumbled the ball back to Iowa at the 19.

Long then had his best moments of the first half, completing five of five passes in a drive to the Bruin 6. From there Rob Houghtlin kicked a 24-yard field goal to tie the score at 10-10.

UCLA came right back, Ball scoring on a 40-yard run off a pitchout and sweep around right end. He had clear sailing when Al Wilson threw the final block on Iowa's Ken Sims at the 20.

Ball's third TD of the half came five minutes later — after Harmon fumbled again, giving UCLA the ball at its 48. On the first play, Stevens connected for 38 yards to Karl Dorrell. On the third play, Ball scored from six yards out.

Long came out firing in the second half, taking the Hawkeyes 76 yards in eight plays for a touchdown he made himself on a 4-yard run. That made the score 24-17, but there was no stopping UCLA. Stevens calmly took his team 73 yards in a drive that ended when he hit his split end, Mike Sherrard, on a third-down play good for nine yards and a touchdown.

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ROSE BOWL

■ **Michigan 27, Nebraska 23**

Michigan turned two third-quarter fumble recoveries into 1-yard touchdown runs by Gerald White and Jim Harbaugh as the Wolverines rallied to beat Nebraska in the Fiesta Bowl in Tempe, Arizona.

Behind by 14-3 at halftime, Michigan scored twice in a 2:14 span to spark a Fiesta Bowl record 24-point third period and cap a 10-1-1 season.

Linebacker Jeff Akers covered Nebraska I-back Doug DuBose's fumble at the Cornhusker 21-yard line to set up White's 1-yard dive 2:03 into the third quarter. On the next series, quarterback McCathorn Clayton's fumble was recovered by Michigan tackle Mark Messner at the Nebraska 38 and Harbaugh scored on a quarterback sneak five plays later.

David Arnold blocked a punt and recovered the ball at the Nebraska 6, leading to Pat Moons's 19-yard field goal for a 20-14 Wolverine lead with 6:42 left in the period. Harbaugh's 2-yard run 4:49 later made the score 27-14.

Nebraska, finishing with a 9-3 record, closed the gap to 27-21 on a one-yard sneak by reserve quarterback Steve Taylor with 2:29 left in the game and a safety with 1:22 to go when Michigan punter Monte Robbins intentionally stepped out of the end zone.

FIESTA BOWL

■ **Texas A & M 36, Auburn 16**

A tenacious Texas A&M defense stopped Heisman Trophy winner Bo Jackson cold on two critical fourth down runs and quarterback Kevin Murray passed for 292 yards to carry the Aggies to a 36-16 victory over Auburn in the 50th Cotton Bowl, The Associated Press reported from Dallas.

The Aggies, making their first appearance in the game in 18 years as the Southwest Conference champion, finished the season 10-2. The Tigers, fifth in the Southeast Conference and making their first Cotton Bowl appearance, were 8-4.

Jackson scored two touchdowns and rushed for 129 yards on 31 carries, but it was two fourth-down runs he couldn't convert that turned the game around.

Linebacker Larry Kelm tackled Jackson for a yard loss on fourth-and-2 at the A&M 3-yard line early in the fourth period with the Aggies leading, 21-16. And cornerback Wayne Asberry did it again on fourth-and-2 at the A&M 27 with five minutes to go. Murray then completed a nine-yard touchdown pass to Keith Woodside. Texas A & M scored on Andrew Toney's one-yard run with three seconds to play after an interception.

Jackson scored the first time he touched the ball, on a 5-yard run in the first quarter. The Aggies charged back to take a 12-7 lead on scoring runs of 11 yards by freshman Harry Johnson and 22 yards by sophomore Woodside. But Jackson then snared a short screen pass from Pat Washington, broke a tackle and cut cross-field on a 73-yard scoring play to give Auburn the lead, 13-12.

The Aggies led by 15-13 at halftime on Scott Slater's 26-yard field goal, his first as a collegian.

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COTTON BOWL

For Young Fighter Tyson, the Rocky Road May Lead to a Title

New York Times Service

CATSKILL, New York — At the end of a dirt road, the white 14-room Victorian house sits on a bluff overlooking the Hudson River and mountains in the distance.

Were he in the mood for a picture-postcard view, it is what Michael Tyson, boxing's hottest new heavyweight (15-0, 15 knockouts), would see from the front porch of this house that has stood for more than a century. But on one recent mild afternoon, his birds — the more than 100 pigeons he has acquired since turning pro last March — were what preoccupied Tyson.

In a crew neck sweater and gray leather trousers, Tyson stepped briskly across the front lawn to the coop built months earlier. Thirteen steps up a metal ladder, from a platform just outside the coop, Tyson shooed the birds and then watched them circle a nearby tree. In formation, the pigeons flew with a gentle whooshing sound broken.

To make them climb higher, Tyson took a red flag on a long wooden pole and began waving it while he shouted, "Harrrh, harrrh!" He stood awhile watching before saying, "Doesn't that look beautiful?"

But a few minutes later, he began to fret as he spied a hawk loitering close by. "Drop down," he said to his birds. "Don't let this guy get you." As the last stragglers slipped back to the coop, he relaxed, knowing the hawk would not approach the coop. A bird is safe there; in Tyson's awareness of that, there was a bit of irony. For like his birds, this ghetto kid who made his way here five years and countless troubles ago found — through an aging fight man named Cus D'Amato — that the place at the end of the dirt road was a safe home for him, too.

He is 19 years old and is yet to be ranked by the governing bodies of the sport. Most of his opponents have been men who will never advance beyond the agate print of their defeats. And not until early December was he scheduled for a 10-round fight. Still, the three major television networks are already after Tyson to make his network debut in February for them.

The reason is simple — Tyson punches hard and fast. Eleven of his 15 opponents developed arrested consciousness before the first round was over.

At a time when heavyweight champions are, in the words of Tyson's co-manager, Jimmy Jacobs, "as interchangeable as flashlight batteries," Tyson, a squarely built man with a 19½-inch neck and a rugged style that evokes memories of Rockey Marciano and Joe Frazier, may be the crowd-pleaser that the division has lacked for so long.

With a schedule that has seen him fight 15 times in a little more than nine months and with interest in him growing daily, life is moving at quick time for Tyson. But the 5-foot-11½, 221-pound (1.81-meter, 100.2 kilogram) puncher from the Brownsville section of Brooklyn insists the attention will not distract him from his objective of becoming the youngest heavyweight champion ever, which was D'Amato's goal for him. Nor will it make him forget the hard road to that safe place in Catskill.

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That road began in Brownsville where, at 10, Tyson discovered that crime paid — in hard cash he could convert into the high-priced clothes that made a peewee delinquent feel like a big-timer on the streets.

From petty theft and picking pockets, he graduated to stickups. "At first the other guys would have the guns," he says. "I'd go through people's pockets and take their jewelry." Criminal activity eventually led to his doing time in juvenile detention facilities, including, when he was 13, a stay at the Tryon School in Johnstown, New York.

Bitter about being locked up there, he rebelled, making enough trouble to be put in a cottage reserved for hard-core cases. At that low moment, he met a Tryon staff member, Bobby Stewart, who had been a professional boxer. Tyson expressed a desire to become a fighter, and Stewart gave him his first hard lesson.

"I had a reputation for beating up other students," says Tyson, "and when we boxed he tried to humiliate me so the other kids would see I was nothing. He hit me in the body and I went down. My air stopped; I thought I was dead."

Tyson fought back. In the weeks and months that followed, he hounded Stewart to teach him boxing's fine points. He absorbed his lessons so well that Stewart took him to D'Amato, who ran a boxing program in a gym over the Catskill police station.

D'Amato had once trained and managed heavyweight champion Floyd Patterson, and trained light-heavyweight champion José Torres. Now he was a boarder in the big white Victorian house, which was owned by a congenial woman named Camille Ewald, whose sister had been married to D'Amato's brother. Years before, D'Amato had battled the monopolistic International Boxing Club, controlled by a gangster named Frankie Carbo, and had been a major figure in the fight game. But he had come upon hard times. "He owed the government more than a quarter-million dollars," says Ewald. During his many years in Catskill, his rent would be paid by Jacobs.

After watching Tyson spar in his gym, D'Amato told Jacobs, "Mike Tyson is going to be the heavyweight champion of the world." Jacobs, who knew D'Amato to be stingy with a compliment, was impressed — more than Tyson himself was when he heard D'Amato's prediction. "I didn't take Cus seriously," Tyson said.

That would change. Tyson spent two weeks with D'Amato living in the Ewald house before returning to Tryon. He was then paroled, at 14, in September 1980, to D'Amato. Tyson moved back into Ewald's house and, as he puts it, "My life begins here."

It was a life that took getting used to. Tyson was not communicative at first, wary of D'Amato and others — an inmate's reflex reaction. In the gym, though, he proved to be a good student. D'Amato's emphasis was on defense. He wanted his fighters, even a puncher like Tyson, to be elusive. "So," says Tyson, "it was hours of boxing with little and fast fighters, without being allowed to hit them back and trying to make them miss. And if a 140-pounder jumps up and punches you in the face, it's not going to tickle."

D'Amato soon had Tyson fighting on nonsanctioned fight cards known as smokers in venues where the crowds, wagering on the bouts, would scream epithets at the boxers and sometimes settle their differences with knives.

The Associated Press

Mike Tyson, right, running his record to 15-0 with a first-round knockout of Mark Young.

In such settings, Tyson had to learn to deal with wild-swinging and often far older opponents — as well as with his own fear. At his first Bronx smoker, he excused himself to get a pack of gum. Standing alone in the street, in the shadows of the elevated subway, he almost bolted. "I thought to myself, 'What the hell am I doing here? These guys'll kill you.' "

He fought in smokers and more genteel amateur competitions, with his progress closely monitored by D'Amato, who also tutored him in the sport's mental phase, even addressing the fear that Tyson confessed to experiencing. "Heroes and cowards feel exactly the same fear," D'Amato would say. "Heroes just react to it differently."

D'Amato did not neglect life beyond the ring either, trying to educate Tyson to a world far removed from that of Brownsville and juvenile correction facilities. It was not easy.

"At first," says Ewald, "Mike was very rebellious, very angry. He wouldn't listen. But Cus spent hours and hours explaining everything. When he had to, Cus was the boss. He would scold him. Then Mike would come to me for sympathy."

In the beginning, says Tyson, "if I got upset, I'd get nasty. Cus would take me aside to warn me. If I did it again, he'd warn me out in the open — put me in my place. 'I warned you about that already. You're not back in Brooklyn with those tomato cans.' I wouldn't say nothing."

Eventually, D'Amato became Tyson's legal guardian. When the fighter's mother died, Tyson asked Ewald if he could call her his mother. "After that," she says, "he'd introduce me as his mother and Cus as his father."

The fighter that D'Amato wrought is small for today's heavyweights. And his loss in the 1984 Olympic trials to the eventual gold medalist, Henry Tillman, raised questions about his ability to handle slick boxer types. But the urgency of the bidding by the networks to land Tyson reflects a prevailing view that the fighter has come on quickly in his brief career.

There's nothing fancy about Tyson in the ring. He works out of a slight crouch, shoulders and head bobbing, and when he strikes he is quicker on his feet than a man with his thick-legged, barrel-chested build ought to be. He has knocked down opponents with both hands, but the left hook seems his most dangerous punch.

He is affable and responsive, a young man who professes a reluctance for the spotlight but is aware of his obligation as a public figure. But there is a sense of detachment, perhaps owing to his difficult past — and to D'Amato. "Cus would say, 'Talk and be nice to people, but be careful who you trust.' "

Tyson claims to have no close friends. Only in his concern for his pigeons and in his feeling for the place at the end of the dirt road ("This is my home. It'll always be my home. I don't plan on leaving") does he let his guard drop.

On Nov. 4, D'Amato died of pneumonia at 77. "Coming back from Cus's funeral," says Ewald, Tyson "broke down and cried. He said: 'Camille, I never knew what love was until now. He taught me so much.' It was the first time I ever saw him cry."

Less than two weeks after D'Amato's death, Tyson fought in Houston, taking with him a photo of D'Amato and himself. "And he told me," says Ewald, " 'A lot of people would think I'm crazy. But I talked to Cus. I talked to him every night.' "

Atlantic Privateer 2d-Leg Winner in World Yacht Race

Agence France-Presse

AUCKLAND, New Zealand — The U.S. yacht Atlantic Privateer took line honors for the second leg of the Whitbread Round the World Race in record time here Friday, beating NZI Enterprise of New Zealand by 7 minutes and 20 seconds.

Atlantic Privateer's elapsed time for the Cape Town-Auckland leg was 29 days, 3 hours and 04.36 minutes, beating by 25 hours and 23 minutes the mark set by Flyer four years ago.

The neck-and-neck finish came after a seesaw battle for the lead, which Atlantic Privateer took decisively early Thursday as the two raced down New Zealand's East coast.

NZI Enterprise skipper Digby Taylor fought to within a kilometer (.62 miles) of Paddy Knittel's Atlantic Privateer, but was unable to narrow the gap further.

UBS Switzerland, skippered by Pierre Felhmann and the first yacht into Cape Town after the first leg, was third across the line Friday, an hour and 55 minutes behind Atlantic Privateer. The close second-leg finishes came 7,100 nautical miles after the fleet left Cape Town on Dec. 4.

OBSERVER

The Vanishing Russians

By Russell Baker

NEW YORK — One day the Russians started going away. They had a new machine that did the trick. The CIA knew they had a machine that made things go away, but it couldn't find out where they went to.

Naturally, the United States funded thousands of science professors to develop our own going-away machine. It was called Exit. The president warned Congress there was a dangerous exit gap and unless the United States closed it fast, Russia would go away before we did.

Even as he spoke, Russia was going fast. In a matter of days, extraordinary emptinesses sprang up on the Russian landscape. Red Square complete with Lenin's tomb, posters of Karl Marx, almost all of Siberia, the entire Bolshoi Ballet and the city of Leningrad went away during an afternoon.

Then, the rest of Moscow went away, along with Kiev, Vladivostok, the steppes, the Volga, Pravda, caviar, the KGB, the entire Red Army, the 1812 Overture, the Russian winter, Count Vronsky, the annual wheat crop failure and a staggering volume of vodka.

□

Americans, delighted by the idea that the universe might be big enough to contain both of Earth's nervous superpowers, celebrated by kissing strangers in the streets and shouting, "The Russians are going, the Russians are going."

Americans who really knew the Russians did not celebrate, though. Famous economists and syndicated columnists outlined the demonic nature of Russia's plot to Americans too stupid to recognize the peril posed by life without a deadly enemy.

With Russia gone, the great economic pump-priming engine created by the Pentagon to protect Americans from the Russians might be hard to justify.

Even while the Russians remained, there had been plenty of soreheads saying it was unjust to make a working stiff cough up two days' salary every week so the Pentagon's corporations could wallow in tax-free profits.

Now with the Russians going fast, these whiners might turn into an entire country roaring, "Will no one rid us of these Pentagon leeches, especially the ones that are always being indicted for defrauding the government?"

The White House held an emergency meeting of the National Boondoggle Council the night The Associated Press reported that the place once known as Russia was entirely vacant of everything except a light mist coming off an underfoot surface that felt like map paper.

They said the president wept when congressional leaders told him of mounting public sentiment for standing the Pentagon's biggest contractors up against the wall. It is possible he did, for the president loved all weapons and all corporations that made them.

□

Less sentimental economists told him how bad things were. Their spokesman said, "If we can no longer pump trillions into these bumbling state-subsidized weapons companies, we will not only have heavy unemployment, collapse of the consumer-goods market and catastrophe galore, we will also have a lot of congressmen on our backs because there will no longer be a trough of Pentagon gravy for them to get their snouts into."

The president spoke the words that lesser men feared to utter: "Without Russians to threaten us with doom, we face catastrophe?"

The economists said, precisely, Mr. President. Russians, they are terrible and we can't do without them. Couldn't the United States persuade them to come back?

Impossible, said the secretary of defense. The Russians had surely gone away for the specific purpose of destroying the American economy. They would not come back until it lay in ruins.

The president, dynamic as always, declared that the United States would not take its enemy's exit lying down. His decision: Pump trillions into our own Exit program. In the hands of the Pentagon's contractors, it might take decades, even centuries, of refreshing money-squandering to develop an effective Exit of our own.

"Then," he said, "we will all go away to wherever the Russians have gone to, and life, by George, can get back to normal."

New York Times Service

Dan Peterson: The Bellissimo Factor

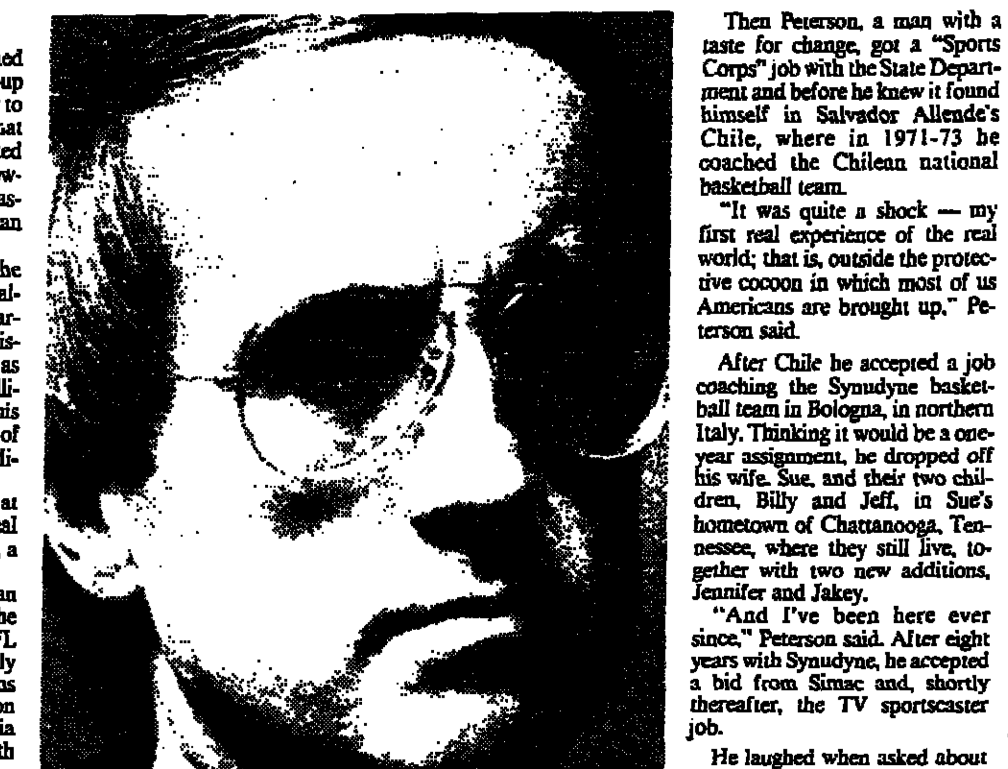
By Sari Gilbert

MILAN — In the darkened living room, a small group of Italian men listened intently to the drawling American voice that in fluent but strongly accented Italian was providing a blow-by-blow account of an NBA basketball game for a private Italian television channel.

"Bellissssimo," purred the voice familiar to millions of Italian sports fans. "Talk about Baryshnikov!" This delighted the listening Italians, who smiled as Dan Peterson of Evanston, Illinois, launched into one of his celebrated asides, a paean of praise for the ballet corps of Milan's La Scala.

"He's unique — a master at basketball and, in addition, a real card," said one of the listeners, a doctor.

In the four years since he began doing the commentary for the NBA basketball games and NFL football games broadcast in Italy by the sister private TV stations Canale 5 and Italia 1, Peterson has become something of a media star, tickling his listeners with patter like "It's Doctor Jay — house call!" whenever the Philadelphia 76er Julius Erving sinks another one.



Sportscaster Peterson: Patter and paeans.

Wherever he goes, people seem to recognize him, particularly in Milan, where the two stations are based and have their most concentrated audience. His face is known from such programs as "American Ball" and "Domenica Sport," but the recognition factor is highest for his warm, slightly husky voice, which brings the doings of the Boston Celtics and New York Knicks, the Los Angeles Rams, and last fall the Kansas City Royals into Italian households.

What many of Peterson's listeners do not know is that he is not merely a sportscaster. This short, slightly graying man, whose 50th birthday in January will coincide with the beginning of his 13th year in Italy, also happens to be Italy's top basketball coach.

His team, Simac of Milan (Italian teams are sponsored by industrial companies), won the Italian championship last year and is first in the running so far this year. Last year marked the team's second season cup during Peterson's five-year coaching stint with them.

If it were not for the extremely strong Soviet team, people say, Simac — which, like many Italian basketball teams, has two American players — would have a good chance at winning this year's European basketball playoffs.

Peterson stands 5 foot 5 (1.66 meters), with neat small hands and feet — not exactly your ideal type for a career in basketball. But ever since he can remember, he has been in love with the sport, playing on playground or backyard courts and, at 15, coaching elementary school kids at the local YMCA.

That team did exceptionally well, possibly, Peterson says, because three of the players were exceptional athletes, growing up into Dave Tremaine, a most-valuable player for the U.S. Naval Academy basketball team; Art Schwarm, a Michigan State MVP; and Jim Purnell, who played professional football five years for the Chicago Bears and three for the L. A. Rams.

So it hurt when, year after year, Peterson was passed over in tryouts for the Evanston high school team. "I was too short and just plain not good enough," he said.

Things began looking up when his high-school basketball coach, Jack Burmaster, suggested that he think of coaching. Burmaster pointed out as an example a St. Louis University coach, Ed Hickey, also a small man and successful despite his lack of professional playing experience.

"He changed my life," Peterson says of Burmaster, with whom he still corresponds.

At Northwestern University, Peterson got a bachelor's degree in education. He later took a master's degree at Michigan University in sports administration. In 1962-63 he was an assistant coach at McKendree College in Lebanon, Illinois; he then served two years as freshman basketball coach at Michigan state, one year as plebe coach at the U. S. Naval Academy and five years as basketball coach at the University of Delaware.

Then Peterson, a man with a taste for change, got a "Sports Corps" job with the State Department and before he knew it found himself in Salvador Allende's Chile, where in 1971-73 he coached the Chilean national basketball team.

"It was quite a shock — my first real experience of the real world; that is, outside the protective cocoon in which most of us Americans are brought up," Peterson said.

After Chile he accepted a job coaching the Synudyne basketball team in Bologna, in northern Italy. Thinking it would be a one-year assignment, he dropped off his wife, Sue, and their two children, Billy and Jeff, in Sue's hometown of Chattanooga, Tennessee, where they still live, together with two new additions, Jennifer and Jakey.

"And I've been here ever since," Peterson said. After eight years with Synudyne, he accepted a bid from Simac and, shortly thereafter, the TV sportscaster job.

He laughed when asked about his trans-Atlantic marriage. "It just sort of happened," he said. "When I got the job in Bologna, Sue was pregnant with our third child and wanted to wait until the baby was born" before moving. "Then, by the time that kid was a bit grown, she was pregnant again, and by the time that one was a bit grown the older kids had put down roots. We decided that if five out of six people are happy with their lives it didn't make sense to uproot them all just to follow the sixth."

Peterson said he telephones his family at least every other day, and goes home three times a year. Occasionally the older children visit. "Maybe it hasn't been all that easy," he said, "but we make it work."

He said he had come to realize what people mean when they talk about families having "quality time" together. "I don't go home much," he said, "but when I do, everyone knows there's a family there, everyone knows there's a real marriage."

Sari Gilbert is a Rome-based journalist who contributes to The Washington Post and the Boston Globe.

PEOPLE

Frequent Flier Bumped

Howard Landau says the skies grew unfriendly for him and his family after they earned more than 1.5 million free miles in United Airlines' frequent flier program. "I was thrown out for accumulating too many miles," said Landau, 42, a New Jersey tire dealer. He said United cut his family out of the program in November 1984, after it learned that his grown children sometimes flew with tickets in his name and credited his account with the mileage — a practice he says United did not specifically prohibit until after he was bumped from the program. "I'm not going to say there wasn't some monkeying around," he said, but added, "I didn't do anything illegal." A United spokesman, **Charles Novak**, said that the rules on flying under another person's name had been changed but that there had always been a similar restriction. After failing to reach an agreement with the airline, Landau has sued United seeking reinstatement or compensatory damages. He said his family had earned 1.54 million bonus miles, spending $75,000 for United tickets but receiving more than $100,000 worth of free tickets and other awards. The family is now enrolled in American Airlines' frequent-flier program, Landau said.

□

Soviet films are "very mediocre" and the industry is plagued by nepotism, a leading actor, **Nikolai Kriuchkov**, 75, says in an article in the Literaturnaya Gazeta. In apparent criticism of **Filip Yermash**, 62, chairman of the State Commission for Cinematography — known as Goskino — the actor called for "drastic surgery" against filmmakers responsible for mediocre works and "those who encourage them." Last month the Soviet director **Vladimir Motyl** accused Yermash, who has headed Goskino since 1972, of exaggerating public interest in Soviet films to minimize the success of Western productions.

□

Queen Elizabeth II told **Winston Churchill** after the 1954 royal film performance that the American movie chosen, "Beau Brummell," was "a bad film," according to government papers just released at the end of a 30-year ban on publication. Public criticism at the time suggested that the queen should not be expected to sit through film depicting the shortcomings of her ancestor **George IV**, played in his Prince Regent days by **Peter Ustinov**; the British-born actor **Stewart Granger** played the prince's foppish friend, **George Bryan Brummell**, and **Elizabeth Taylor** also starred. Churchill, then prime minister, said in a memo that the queen had told him "what a bad film it was." The papers indicate that, in response, the Conservative government worked behind the scenes to change the method of film selection.

□

Marcel Marceau has been released from a hospital three weeks after undergoing two emergency operations for a perforated stomach ulcer. A spokeswoman for the mime artist, **Soya Graham-Stuart**, said Marceau, 62, was convalescing at his home outside Paris. Marceau underwent surgery Dec. 8 in Moscow, where he was scheduled to perform. He was flown to Paris three days later for a second operation. He is not expected to perform for several months at least.

□

Emperor Hirohito, 84, the world's longest-reigning monarch, greeted about 140,000 flag-waving subjects from behind bullet-proof glass on the Imperial Palace grounds Thursday for his first public appearance of the year.

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Barbara Black, a leading law scholar, has been named dean of the Columbia University School of Law, becoming the first woman to head a top U. S. law school. Black, 52, a specialist in American legal history, replaces **Benno Schmidt Jr.**, recently chosen as president of Yale University.

□

A jubilant **Edward I. Koch**, taking his third oath as mayor of New York, boasted of his city's greatness but conceded that "the Big Apple does not grow in the Garden of Eden." At his swearing-in for another four-year term, Koch, 61, called the city's housing shortage "our most severe and intractable problem." He also vowed to help the homeless, the poor, and victims of acquired immune deficiency syndrome, despite what he called a "federal assault" on the city's resources.

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